

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 4, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In the sacred moments of this hush, O Lord, hear our prayer and consider our desire; hearken unto us for Thy truth's and righteousness' sake. Here we would pause and find in Thee strength, courage, and usefulness; here may we be transformed by the renewing of our minds, that we may prove what is that good, acceptable, and perfect will of God. Teach us Thy statutes and let love be found to disarm all fears and bring to this chosen assemblage wisdom and encouragement. We pray Thee, our Father, to cleanse us in thought and feeling; sanctify all mistakes and failures and recover us out of every ill. Grant us such a sense of Thy nearness that our hearts shall overflow with boundless good will and service for our country. In the Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 51. Joint resolution to amend the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1935, as amended.

EDWARD T. TAYLOR

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, 28 years ago at noon today, the dean of the Colorado delegation, Hon. EDWARD THOMAS TAYLOR, entered this House as a Member of the Sixty-first Congress. Continuously since March 4, 1909, year after year, regardless of the vicissitudes of politics, the gentleman from Colorado [Mr. TAYLOR] has served as a Representative from the Centennial State. He has been elected 15 times successively. For the first three terms he was Congressman at large from our State; but, beginning with the Sixty-fourth Congress, after Colorado was redistricted, he came here as Representative of the Fourth Congressional District, which comprises the entire western half of Colorado.

Mr. TAYLOR has served under six Presidents: President Taft, President Wilson, President Harding, President Coolidge, President Hoover, and now under President Franklin D. Roosevelt. He has served under eight Speakers of this House: Joseph G. Cannon, of Illinois; Champ Clark, of Missouri; Frederick H. Gillett, of Massachusetts; Nicholas Longworth, of Ohio; John N. Garner, of Texas; Henry T. Rainey, of Illinois; Joseph W. Byrnes, of Tennessee; and under our present Speaker, WILLIAM B. BANKHEAD, of Alabama. With assurance I can say that Mr. TAYLOR has enjoyed, during his long service here, the confidence, the respect, and the esteem of every one of the Presidents under whom he has served, regardless of politics, and of every one of the Speakers who have presided over this House and of all his fellow Members of the House. [Applause.]

When the gentleman from Colorado [Mr. TAYLOR] first became a Member of the House, he was appointed to the

Committee on Irrigation and Reclamation. Within a few years thereafter he became chairman of that committee, a committee very important to the West. He was also a member of the Committee on Public Lands, being vice chairman of that committee for several years. In 1919 when a select committee of 12 was appointed to formulate the Budget system under which we are now operating, he served as a member of that committee.

The report of the special committee was adopted and the membership of the Appropriations Committee of the House was enlarged from 21 to 35. April 18, 1921, Mr. TAYLOR was appointed to the enlarged committee. In accepting this appointment to the Appropriations Committee, which is an "exclusive" committee, he was obliged, of course, to relinquish his membership on the Committee on Irrigation and Reclamation and on the Committee on the Public Lands, on which he had served with such distinction.

Mr. TAYLOR has now, since the lamented death of the gentleman from Texas, Mr. Buchanan, served longer on the great Appropriations Committee than any other present member thereof. For several years he has been the chairman of the subcommittee of the Appropriations Committee having charge of appropriations for the Interior Department. Mr. TAYLOR in his service as a member of this subcommittee has been invaluable to that portion of the country which we, who come from there, refer to as "the West." With all due respect to those gentlemen who live as far from Washington toward the setting sun as Buffalo and Chicago, we mean by "the West" that part of the country beyond what the pioneers called "the Big River", namely, the Missouri.

But Mr. TAYLOR's vision is not now and never has been circumscribed or his horizon limited to that part of the Nation from which he comes. He has now as full and intimate information concerning the fiscal affairs of the Nation as a whole as any other Member of the House, barring none.

Mr. TAYLOR has also been highly honored by the Democratic Party, of which he is a distinguished member. He organized the bureau of naturalized citizens at the Democratic national headquarters at Chicago during the campaign of 1916, and conducted the party campaign throughout the 24 Western States to secure the votes of foreign-born citizens of 46 different nationalities and languages. He was the chairman of the Democratic caucus of the House of Representatives during the Seventy-fourth Congress. During the 8 months of the first session of the Seventy-fourth Congress in 1935, Mr. TAYLOR was designated by Majority Leader BANKHEAD to act, during Mr. BANKHEAD's illness, as majority leader.

Only 8 other men of the approximately 10,000 who have been elected to the House in the last 150 years have been elected 15 successive times—Kelly, Bingham, and Butler, of Pennsylvania; Gillette, of Massachusetts; Pou, of North Carolina; Haugen, of Iowa; Sabath, of Illinois; and Vice President Garner, of Texas.

The distinguished dean of the House and of the Illinois delegation [Mr. SABATH], who has completed 30 years of continuous service, and who is today beginning his sixteenth consecutive term, is the only present Member who has served in the House of Representatives longer than has Mr. TAYLOR of Colorado.

Among those who were first sworn in as Members of the House on March 4, 1909, were our former Speaker, Joseph W. Byrnes, of Tennessee, whose untimely death we all deplore and whose memory we all cherish with affection. Also among that group was my colleague the gentleman who so ably represents the Third Congressional District of Colorado, the Honorable JOHN A. MARTIN. But Mr. MARTIN, after serving in the Sixty-first and Sixty-second Congresses (1909-13), voluntarily retired, and, after an interval of 20 years, was elected to the Seventy-third and has been reelected to the Seventy-fourth and Seventy-fifth Congresses. So Mr. TAYLOR is the only one of those who 28 years ago today entered the House as new Members who has served continuously in the House ever since.

Mr. TAYLOR's service in the Congress has been the sequel to long and distinguished public service in the State of Colorado. For 52 years he has been in public life. Born in

Illinois, reared on a farm in Illinois and on a stock ranch in Kansas, he moved to Colorado in 1881. He was the first principal of the high school in Leadville, Colo., in 1881 and 1882. Thereafter he attended the University of Michigan and was graduated from the law department there in 1884. Returning to Leadville, he began the practice of law. In the fall of 1884, he was elected county superintendent of schools in Lake County. In 1885-86 he was deputy district attorney in the district, including Lake County. In 1887 he removed to Glenwood Springs, in Garfield County, which has ever since been his home.

From 1887 to 1889, Mr. TAYLOR served as district attorney of the ninth judicial district of Colorado; and, while so serving, adjudicated the water rights of practically all of north-western Colorado. He was a member of the State senate for three terms—1896 to 1908—was president pro tempore of the State senate for one term, and during those 12 years of service was the author of some 40 statutes and 5 amendments to the constitution of our State. In the meantime he served five terms as city attorney of Glenwood Springs and two terms as county attorney for Garfield County. In short, when Mr. TAYLOR came to the Congress 28 years ago his name was already a household word throughout our State.

During the last 28 years, in the Fourth Congressional District of Colorado and in our State as a whole, large majorities have frequently been given to Republican candidates for local offices, for State offices, for United States Senators, and for President. The people of Colorado are highly intelligent, are much interested in public affairs, and keep themselves well informed as to the conduct and capacity of their elective officers. Long since, they learned how to "scratch their ballots" and to do so with discrimination. It is, therefore, highly significant that, regularly every 2 years, for the past 28 years, even in elections that proved to be Republican landslides in Colorado, "Ed" TAYLOR—as he is affectionately known throughout our State—running on the Democratic ticket, has been reelected to Congress by ever-increasing pluralities. He is indeed the representative not only of the Democrats but of all the people of western Colorado.

I believe I may fairly say that Mr. TAYLOR stands pre-eminent in Colorado, not only in the length and distinction of his public service but also, and even more, in the affectionate regard and esteem of the people of our State and of the West. I am sure there is no man now or at any time who has ever won a higher place.

Mr. Speaker, I know all other Members of the House share the feeling that we of the Colorado delegation have for our distinguished and much beloved dean. [Applause.]

INTERNATIONAL LABOR OFFICE

Mr. WOODRUM. Mr. Speaker, by direction of the Committee on Appropriations, I ask unanimous consent for the immediate consideration of House Joint Resolution 252, to aid in defraying the expenses of the International Labor Office incident to holding its Technical Tripartite Textile Conference.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the joint resolution, as follows:

House Joint Resolution 252

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$15,000 to aid in defraying the extraordinary expenses of the International Labor Office incident to holding its Technical Tripartite Textile Conference in Washington, D. C., in April 1937: *Provided,* That \$10,000 of this appropriation shall be available for contribution for such purposes to the International Labor Organization, and not to exceed \$5,000 shall be available for expenditure by the Secretary of Labor for expenses incident to holding such conference in Washington, including personal services in the District of Columbia, communication services, stenographic and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), local transportation, stationery, supplies, repairs and alterations, and such other expenses as the Secretary of Labor may deem necessary.

Mr. WOODRUM. Mr. Speaker, in the period between 1923 and 1929, when most of the industries in America were

in more than normal, healthy condition, the textile industry of America was having considerable difficulty, through labor and otherwise. At the request of a number of Members of the House and the Senate, as well as Governors of States and representatives of both the industry and workers, a list of which I have with me but shall not call because of the desire to save time, the President of the United States appointed a Cabinet committee to make a survey of the situation with reference to the textile industry. This committee consisted of the Secretary of Commerce, Secretary of State, Secretary of Agriculture, and the Secretary of Labor. Subcommittees were appointed, which held conferences and amassed a great deal of testimony. On the 21st of August they filed with the President, and he transmitted to the House of Representatives a document consisting of 154 pages, which I hold in my hand and which gives a lot of general information about the textile industry and their problems. As a part of this report made by that Cabinet committee I read this brief paragraph:

In connection with the study of long-time problems, attention is called to the fact that an investigation of the textile situation throughout the world is under consideration by the International Labor Office. This should be furthered by American aid and cooperation.

As a result of that recommendation by the Cabinet committee, the President requested the American representatives to the International Labor Conference at Geneva to suggest that a conference be held which would direct its special attention to the textile industry and that this conference be held in America.

America produces between 40 and 50 percent of all the textiles of the world, and it is very proper this sick industry in America should have a conference in order to try and find out if anything can be done to help it. The International Labor Office, with which the American Government cooperates and to which we make annual appropriations, has called a meeting to be held in Washington during April.

The purpose of the appropriation of \$15,000 as called for by this resolution is to assist in defraying the added cost of holding this meeting in Washington rather than at the seat of the International Labor Office, which is Geneva, Switzerland. May I say if the conference were held at Geneva, Switzerland, where it would ordinarily be held except for this invitation which has been extended and accepted, we would undoubtedly send American representatives, and the cost of that is estimated to be between seven and eight thousand dollars; so the cost of holding this meeting in Washington rather than in Switzerland calls for a net additional outlay of between seven and eight thousand dollars.

This conference will be attended by the representatives of the leading textile-producing nations of the world. There will be present representatives of the textile manufacturers, the governments, as well as workers, in an effort to have a round-table discussion in order to try to find ways and means, if possible, to help this industry.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I ask the gentleman if this conference will assist the textile industry of this country in one respect? If the gentleman will go uptown here he will see in one of the large department stores two large windows decorated with foreign merchandise which, in my judgment, should be manufactured by the textile industry of this country. If this conference will do anything to make the foreign manufacturers pay the standard of wages set by the American manufacturers, and if it will do something that will in some way hold the best markets of the world for America, then the conference might be of some consequence. But if it is going to permit these big stores in Washington and elsewhere to advertise products of foreign manufacturers, then I question very seriously if the conference will be of much advantage to the American textile industry and American labor.

Mr. WOODRUM. It is hoped the conference will do a great many things to help the American textile industry. I think the gentleman may be assured the American repre-

representatives attending that conference, who will be chosen by the textile manufacturers of this country, will see to it that their interests are protected.

Mr. TABER. Mr. Speaker, we are at this time paying out for the expenses of the International Labor Union and our connections with it upward of \$200,000. It is true that this particular resolution involves only an additional expense of between seven and eight thousand dollars. The meat of the entire situation is that we are going up against a crowd that has lower standards of living, lower standards of working conditions, and a larger number of hours of labor than our people have been educated to have. The desire of all of these other nations is to bring down the standards of the American workingman and the American people generally.

Let me say to you that ever since this Administration started, when we have gone into an international conference of any character, the United States of America has got the worst of it. It is probably true we cannot get away from this expenditure, because of the manner in which we have authorized the President to go ahead and make these arrangements, but the thing I am fearful of, and the only thing I expect out of it, unless a different attitude is pursued, is that when we come out of this conference our textile industry, our working people, and the country as a whole will be worse off than they were before.

I hope that on this occasion we will have representation that will protect the American industry and the American worker and not lead us into the kind of situations that we have been so far led into in these international conferences by this administration. Nowhere has there been any advantage going to this country or to labor or to industry as a result of this International Labor Union. They have a large statistical organization, and that is about all there is to it.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. PLUMLEY. May I inquire whether the gentleman is informed as to whether Japan is going to take part in this conference?

Mr. TABER. I was advised day before yesterday, I think, in the afternoon, that Japan had finally decided to participate in the conference, but, of course, nothing can be expected in the way of Japan improving her working hours or her wages in such a way that her textile workers and her textile industry would be on a par with the wages received by the workers in American industries.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I think, probably, the gentleman will agree with me that Japan will take part in this conference, because she has done very well in every other conference she has had with American representatives.

Mr. TABER. That is undoubtedly so.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. REED of New York. In this conference, will some consideration be given to the question of child labor?

Mr. TABER. There is supposed to be some consideration given to that.

Mr. REED of New York. At the present time the Japanese are working children before they are even through nursing, in competition with labor over here.

Mr. TABER. Yes.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. RICH. Does the gentleman have any idea that by this conference a tendency will be developed to bring up the textile industry in foreign countries at least to the scale that we have established in America, or will the tendency be to bring down American labor standards to those of foreign countries?

Mr. TABER. As I understand, there will be a dozen foreign nations in the conference, and we will be in it also. Our representatives should take the position, and maintain

it, of trying to bring up the foreign industries and foreign labor to a level with American labor; but every one of the dozen other countries will be trying, probably, to beat down our conditions to their own level.

Mr. RICH. If the gentleman will permit one further question, if they do not agree to maintain the standard that is set by America, would it not be the wise thing for the American delegates to insist that we maintain a tariff that will equalize the difference between the cost of manufacture in foreign countries and in our own country, so that the American wage earner will have this advantage, at least, as a result of this conference?

Mr. TABER. That is what the tariff is for.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. Is it not a historical fact that the United States has never lost a war and has never won a conference?

Mr. TABER. I guess that is about it.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVAL APPROPRIATION BILL, 1938

Mr. UMSTEAD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5232) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1938, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill may continue throughout the day, one-half of the time to be controlled by the gentleman from Pennsylvania [Mr. DITTER] and one-half by myself.

Mr. BIERMANN. Mr. Speaker, reserving the right to object, I would like to inquire of the chairman of the committee whether those of us who are opposed to this bill will be given ample time to express ourselves upon it?

Mr. UMSTEAD. Mr. Speaker, of course, I cannot determine what the gentleman considers ample time; but I may say to him that last year when this bill was under consideration, every man opposed to the bill who requested time was given time, and it will be my purpose to follow the same policy this year.

Mr. BIERMANN. I will say to the gentleman that some of us who were opposed to the bill did not have the time we thought we ought to have, but my point is that in general debate on a bill of this importance, before the chairman or the ranking minority member parcels out time to Members who want to speak on other subjects, all those who want to speak on the bill should be taken care of. I would like to have 30 minutes on this bill.

Mr. UMSTEAD. Mr. Speaker, I cannot promise the gentleman 30 minutes. He has not, before this moment, asked for a minute of time. I shall do the best I can to give him as much as possible, but I cannot ignore requests previously made for one now being made for the first time.

Mr. BIERMANN. Should a Member ask the chairman of a committee for time before the bill comes into the House?

Mr. UMSTEAD. That is the custom, as I understand it, and for 4 days I have been receiving requests, and I have been wondering why the gentleman did not make application. In fact, I have reserved him 15 minutes of time without his ever asking for it.

The SPEAKER. Is there objection?

Mr. FISH. Mr. Speaker, I reserve the right to object. I regret to say that I did not hear the gentleman say how much time he proposed to allow in the way of debate on the naval appropriation bill.

Mr. UMSTEAD. General debate is to run through the day, and we hope to conclude general debate today and take the bill up under the 5-minute rule tomorrow.

Mr. FISH. Does the gentleman propose to limit debate to the bill?

Mr. UMSTEAD. Today?

Mr. FISH. Yes.

Mr. UMSTEAD. No; that was not my request.

Mr. FISH. Assuming those in the House want to speak on the bill, will they be given preferred treatment?

Mr. UMSTEAD. I refer the gentlemen, and others on his side, to the gentleman from Pennsylvania [Mr. DITTER].

Mr. FISH. I have plenty of time, but I was thinking about others in the House. I think other Members in the House agree that this is a highly important bill, and if Members want to be heard they ought to be heard at this time in preference to those who want to speak on some other subject.

Mr. UMSTEAD. I shall say what I said to the gentleman from Iowa [Mr. BIERMANN] a moment ago, that I do not understand that the chairman of a committee or the ranking member of a committee can ignore requests for time under general debate, and those who desire to speak on the bill, in my judgment, should have made requests for time before today.

Mr. FISH. The gentleman surely agrees that those who want to speak on the bill ought to be afforded opportunity to speak on it.

Mr. UMSTEAD. I certainly do.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from North Carolina that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5232.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5232, the naval appropriation bill, 1938, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. UMSTEAD. Mr. Chairman, I yield myself 30 minutes.

As chairman of the subcommittee of the Committee on Appropriations for the Navy Department, I present for the consideration of the House the annual naval appropriation bill for the next fiscal year. The Appropriations Committee does not determine the Government's naval policy. This policy is determined by Congress and the administration in power. When Congress has expressed its will through legislation, and when the Government's naval policy has been determined upon pursuant thereto by the administration then in power, it is the task of our committee, as I understand it, to determine when and in what amount sums shall be made available to effectuate that policy, consistent with good business judgment and ordinary common sense. I also consider it the duty of our committee to see to it that no greater sums are recommended than appear to be reasonably necessary under the facts and circumstances existing at the time of the consideration of the estimates effectually to carry out the will of Congress.

We of the committee believe that the amounts recommended in this bill will be sufficient to continue the building program, maintain the necessary personnel of officers and enlisted men, adequately support the various shore stations and departments, proceed with replacements and expansion under the aviation program, and further, that by economical and proper use of the funds carried in this bill, the Navy will have sufficient money to carry on effectively and efficiently its entire establishment. We have seriously endeavored by the reductions recommended and the suggestions which we have made to impress upon the Department and the service the necessity of a businesslike and economical operation and the improvement and efficiency of the Naval Establishment.

It manifestly would be impossible for me to take the time today to discuss with those of you who are interested all of the details incident to the appropriations carried in the bill. I shall, therefore, undertake to call your attention to a few of the most important items now before us for consideration.

In the first place, I call attention to the fact that appropriations thus far provided for the Navy Department for the current fiscal year are in the sum of \$528,102,532. The Budget estimates for 1938 amount to \$562,425,709. This bill now before us carries appropriations totaling \$526,555,428, of which \$10,000,000 is an item heretofore appropriated by the Congress, and is reappropriated in this bill, which makes the new money carried in this bill \$516,555,428; or, expressed in another way, your committee, after careful consideration of the items in the Budget, has made reductions totaling \$35,870,281 below the Budget, and \$1,547,104 below the sum of current appropriations.

At the outset, permit me to say that every item in this bill is related to the policy heretofore established of building the Navy of this country to the strength permitted under the London and Washington Treaties before those treaties expired.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. Not now. I shall be glad to later.

Not one item in this bill is carried for any purpose other than that which is considered to be necessary to obtain the objective of a treaty navy. Those treaties have expired, but the present policy of this Government, and the estimates upon which this bill was prepared, proceed on the same basis as if those treaties were now in operation, and as if they had not heretofore expired.

The things which contribute largely to the cost of a navy are the construction and commissioning of new ships, the aviation program, increase of personnel, both enlisted men and officers, increase in the Naval Reserve, and the accompanying expansion and proper support of all of the shore establishments. In considering this bill I ask you to bear in mind that your committee, regardless of its diligence and its efforts to eliminate all unnecessary expenditures, was controlled very largely by existing law with reference to most of the items in the bill.

You will find on pages 3, 4, and 5 of the report I have presented, a detailed statement of all the reductions made by our committee. Before going into those items I wish to call your attention, particularly those of you who oppose naval appropriations, to the fact that the time to make your fight is when authorizing legislation is before the Congress for consideration. At the last session of Congress laws were passed which added tremendously to the total cost of the Naval Establishment. Annual- and sick-leave laws which were passed added approximately \$10,000,000 to the annual cost of the Naval Establishment.

Projects authorized here, yonder, and everywhere throughout the United States carry with them when estimates come to us to make them effective the necessity of appropriating money to carry out the will of Congress. So those of you who come here today and fight and oppose naval appropriations I ask you, where were you when the bills were passed authorizing the appropriations?

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. Not now. I shall be glad to later.

Mr. BIERMANN. The gentleman asked a question.

Mr. UMSTEAD. If the question hits the gentleman, I shall be glad to yield later, but not now.

In the consideration of estimates our committee is confronted with mandates of the Congress and the time to consider the cost of this project or of that project is when it is before the Congress for authorization.

Last week when the Treasury-Post Office appropriation bill was before the House a point of order was made against a provision in that bill, which was sustained by the Chair—and I am not discussing the merits of it—which will add to the cost of the Naval Establishment, apart from the Marine

Corps, \$2,401,250 by resuming the payments of gratuities to enlisted men upon reenlistment.

If you will follow the items as I take them up, I shall undertake to explain to you the reasons for the committee's action with respect to the items in this bill.

We were confronted with a request which called for the expenditure of \$451,380, occasioned by a plan to take out of their normal uses, one transport and two cargo ships for a period of 6 weeks for the purpose of employing them in connection with a landing exercise—a joint exercise to be engaged in by the Army, the Navy, and the Marine Corps. We did not feel that sufficient evidence was presented to the committee to justify such a large expenditure, and therefore the committee is recommending that the added expense be not allowed.

Another item with which we were confronted was a request coming from the Budget and the Department for the recommissioning of the *Pyro*. The Navy has two munition ships, one the *Nitro*, now in commission, and the other the *Pyro*, which has been in a decommissioned status for about 12 years. The evidence before us indicated it would cost approximately \$500,000 to recommission the *Pyro* and put it in a state where it could be used for the transportation of ammunition. A few years ago the Department was given money with which to decentralize the storage of ammunition throughout the United States. That program has been largely completed. Your committee took the view that at the present time there was not sufficient need for the recommissioning of the *Pyro* to justify the expenditure which I have indicated. It was stated to our committee that the *Pyro* is now maintained in a fair condition. We are of the opinion that in an emergency this vessel easily could be recommissioned within a period of 30 days.

The question of the Naval Reserve presents a far-reaching and very important subject. I think those of us who believe that we should have a navy in this country recognize that in an hour of emergency a proper and well-trained Naval Reserve would have tremendous value. However, the field is so wide and the demands are so great that your committee, although recognizing the value and usefulness of the Reserve, has taken the position that it ought not be developed too rapidly, and we therefore have undertaken to hold it down in keeping with what we believe to be good common sense and a reasonable degree of progress in the various divisions of the Reserve each year.

The appropriation act for the current fiscal year allows \$7,868,000 for this component. The Budget this year proposed \$9,880,000. We reduced this amount by a total of \$610,091, and allowed an increase of \$1,430,054; but in fairness to the Reserve I should say that most of the increase is consumed by the aviation cadet program.

I desire to call your attention especially to three other items in connection with the Reserve. One of them deals with the issuance of uniforms to the Reserve. Heretofore the uniforms have been issued out of the clothing and small-stores fund. We were requested this year by the Budget to include \$250,000 for this item for the first time. We felt, after carefully considering the evidence, that the capital of the clothing and small-stores fund is still sufficient to enable it to supply the necessary clothing to reservists for the next fiscal year; and we, therefore, disallowed the item.

Another item which was presented to us, not for the first time, although a part of it, as we recommend it to you, will be for the first time—and I am sure many of the Members will be interested in it. For a number of years we have been requested to appropriate funds for the training of the Merchant Marine Reserve. We were asked this year for sufficient funds to give training to 400 officers and 500 men. We felt it unwise to grant this request, but we did believe it to be good policy to allow sufficient funds to permit the training of 100 merchant marine officers, and have a report presented to us a year from now as to the progress and results of such a program. We then would be in a position to determine to what extent it may be desirable to proceed with this new phase, from an appropriation standpoint, of the Reserve branch of the Navy.

We were confronted with another request: To provide for training an additional number of college students, outside of the presently authorized naval R. O. T. C. Your committee did not feel that there is now in existence sufficient legislative authority to justify such action and we, therefore, disallowed it and have not recommended that item.

Next we come to the Bureau of Engineering. Your committee carefully considered all of the estimates under this Bureau, because the Bureau of Engineering is in charge of a very important branch of the naval service. We have allowed the Bureau of Engineering an increase of \$3,396,500. We decreased the amounts requested by \$1,061,300. It should be stated in explanation of the estimates and figures I am giving you that these additional amounts of money in some instances replace nonrecurring items which appear in appropriations for the current fiscal year. In such cases it does not mean that the amounts proposed are additional sums over and above the total of appropriations made this year for a particular department or branch.

A considerable portion of the increase recommended under the Bureau has relation to experiments and tests, and in that connection I wish to read from a paragraph on page 9 of the committee's report.

It may be stated that the bill makes available under this and other heads a total of \$7,424,241 for research, experiments, and tests, apart from \$390,000 it is proposed to be made available of "Replacement, Navy", funds for test boilers for navy yards engaged in new construction."

I shall make no attempt now to allocate the entire sum provided for experiments and research in this bill. Besides engineering, \$3,328,500 is included under the Bureau of Aeronautics, \$516,000 under the Bureau of Ordnance, and \$763,000 under the Bureau of Construction and Repair. In this connection I also desire to say that the experimental and research field is wide open; but, at the same time, based upon the total amount of money the Navy is now costing this Government, it appeared to the committee that it was necessary to be liberal with this item, because such expenditures look to better defense preparation in many directions and in many fields.

Under Ordnance and Ordnance Stores we did not allow the total amount requested but we have allowed a substantial increase. We decreased the amount requested by the Bureau of Ordnance by \$1,595,200; and your committee felt that it was fully justified in making this decrease. I call attention to the fact that whereas formerly it was the policy of the Department to purchase all of its ammunition out of the appropriation "Ordnance and ordnance stores", under the present policy the cost of ammunition for each new vessel commissioned is paid out of funds provided for "Increase of the Navy" or "Replacements, Navy", and not out of the annual maintenance and operation fund of the Bureau of Ordnance. This means a considerable amount of money, because every vessel, as I understand it, which goes into commission has placed upon it as part of its initial cost one and one-half times the magazine capacity of that vessel. Therefore, although we are not permitting the Bureau of Ordnance all of the funds requested by it, at the same time, by reason of the ammunition policy with respect to new vessels, we are proposing, in our judgment, a very liberal appropriation.

A few years ago—in 1916, to be exact—the Navy Department constructed at South Charleston, W. Va., a tremendous so-called armor plant. The Department spent on grounds, buildings, equipment, and machinery, approximately \$25,000,000. The plant was first started in 1916, or rather, plans for it—just before we entered the World War. It was completed during the war. At the end of the war the Government had actually manufactured at South Charleston certain kinds of projectiles and started to manufacture a certain amount of armor. A number of projectiles were manufactured there, and other ordnance fittings, but no armor, if I am advised correctly.

In 1922 the plant was closed. Its machinery, its equipment, its tools—part of which have been removed—in the main still remain in the plant. This establishment presented

a problem to your committee, and I am calling it to the attention of Congress and particularly to the attention of the Committee on Naval Affairs for their very serious consideration. We are now having to keep in a state of repair a tremendous number of buildings and a rather large quantity of machinery. The Department is now renting 117 houses to citizens of South Charleston at a rental which is not commensurate, I understand, with rentals prevailing in the community, and there are a great many other problems connected with the equipment and the plant. As I say, we are confronted every year with the necessity of spending money for the repair and maintenance of this establishment; and it is the opinion of the committee that some disposition ought to be made of the plant in South Charleston, or some definite policy determined upon for our future guidance.

We were confronted with a request for an increase of 108 medical officers. Your committee, after considering the request, and in view of the fact there are now in the Naval Establishment 815 naval officers, felt that an increase of 108 in 1 year should not be allowed. We now have, as I said, 815, and they request an increase of 108. Your committee felt such an increase was all out of proportion to orderly procedure, and we therefore have provided for one-third of the increase requested by the Budget and the Department.

Mr. Chairman, I wish now briefly to discuss the matter of enlisted personnel. It was estimated 3 years ago that the number of enlisted men which the Naval Establishment would require for its proper operation after it reaches treaty strength would be 111,010 men. At the end of the fiscal year 1937 there will be in the Naval Establishment 100,000 enlisted men.

We were requested in this bill to provide for an average of 103,000 men during the fiscal year 1938, which would mean an additional 6,000 men during that fiscal year. This would mean, of course, at the end of 1938 there would be 106,000 enlisted men, leaving only 5,010 of the number originally stated as being the necessary number for a Navy of treaty proportions. Your committee felt that the Department was planning to approach the limit too rapidly and we reduced the proposed increase by 1,000, and, therefore, are providing for an average additional number during the fiscal year 1938 not of 3,000 but 2,500.

I now call attention to the item of travel of naval personnel. This question gave your committee considerable trouble. The policy of the Navy—and, I am told, of several other Government departments—is not to furnish travel on a cost basis but on a mileage basis. I became interested in the question and sought all of the information available about it. The legislative committee, as I understand, has heretofore given to this question serious consideration. According to the testimony before our committee, it appears that over a span of years mileage and actual expenses about equalize in the matter of reimbursement, and it would make very little difference in the ultimate cost to the Government, even if the system were changed to an actual cost basis. However that may be, I submit to the members of the Committee on Naval Affairs the importance of further consideration of this matter, and I submit to the Members of Congress that throughout the whole Government structure today and every day there are literally thousands of Government employees traveling both on an actual cost basis and on a per-diem basis, while some others travel on a mileage basis. I throw out the suggestion here and now that somehow in this great Government structure there should be and could be developed a uniform system of travel allowance throughout all of the various agencies of the Government.

We were requested to make an addition to the capital of the naval supply account fund in the sum of \$6,000,000. The naval supply account fund is a fund which handles all of the purchases of supplies in use by more than one bureau of the Navy Department. They have as capital now \$69,168,000. They do an annual business of 137 percent of their capital. In other words, the capital turns over or revolves at the rate of 137 percent each year. Your committee took the position that as a matter of ordinary common sense and business judgment a concern turning over annually only

137 percent of its capital had sufficient capital; therefore, we have disallowed the additional \$6,000,000 requested for this purpose. However, we have added \$5,000,000 to the capital of the naval supply account fund for an entirely different purpose, which is explained on page 14 of the report I have presented. This addition deals with the subject of the accumulation of a reserve supply of strategic war minerals, provision for which has been carried in the annual appropriation bills for the Navy Department, as presented to the House, for the last 2 years. I shall no longer dwell on that proposition, because it is adequately covered in the report itself.

With reference to the question of fuel and transportation, the efficient clerk of our committee obtained some figures from the Department which clearly demonstrated that the estimates of the Department were badly in error as to the quantity of fuel oil that would be consumed, if the past were any criterion.

[Here the gavel fell.]

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. UMSTEAD. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, any surplus that is left over from the fuel and transportation appropriations, of course, is blanketed back into the Treasury, but the committee took the view it was useless year after year to appropriate from \$600,000 to \$1,300,000 more for fuel and transportation than the reasonable needs of the Navy would require. We, therefore, have made a reduction in this item of an amount in excess of \$800,000.

I shall not dwell at great length on the subject of public works, because the items are set out on pages 15 and 16 of the report, and the objects for which the funds are to be expended may be found there by anyone interested in any of the items. We did not grant all of the items requested under public works. We feel that we have acted wisely with view to proceeding in an orderly manner with the performance of the most necessary public-works items before us for consideration.

Mr. Chairman, I shall first touch upon a project which I know some Members of the House are particularly interested in. The proposition was brought up last year just prior to the closing of Congress. I refer to the naval air station at Alameda. Last year Congress passed an act authorizing the Navy Department to build at Alameda, Calif., a naval air station, and authorized the Government to take over from the city of Alameda, free and clear of all encumbrances, 929 acres, described by metes and bounds.

It appears that since that time, by Executive order, a field known as Benton Field has been transferred from the War Department to the Navy Department. The Benton Field is adjacent to the Alameda property and embraces approximately 1,050 acres of land. The plan placed before your committee by the Navy Department contemplated the use of the Alameda land and also the use of 454 acres of the Benton Field area. Your committee has included in this bill an item of \$1,000,000 to comply with the terms of the Alameda authorization bill, and \$364,000 of additional funds for various expenses other bureaus will be required to bear in the event the property is acquired and its development is proceeded with. Your committee felt, the time it considered this item, that the city of Alameda could not deliver this property to the Federal Government free and clear of all incumbrances. However, despite that point of view, we have provided the funds to enable development to go ahead in case procurement should be consummated as contemplated by law, prior to December 31, 1939, the expiring date under the authorizing act.

I understand the language of the authorizing act to mean what it says, and I further am of the opinion, and am anxious to make it a part of the Record, that not a dollar of this money can be lawfully expended by the Navy Department on the Alameda project until two things happen: First, until the town of Alameda can and does deliver this property to the Federal Government, as the authorizing act

provided, free and clear of all encumbrances; and, second, that it cannot spend a dollar of this money on the 454 acres, or any other area of the Benton Field property, until the Congress has authorized and made it lawful for the Navy Department to spend it. I have discussed this matter with the chairman of the legislative committee and I am of the opinion that he agrees with me in what I have said.

Another matter, public-works project, that was presented to us relates to a model testing basin. An act was passed last May 6 authorizing the Department to construct a ship model testing plant. This is a matter that has been under discussion for many years in the Department and it is considered to be a very necessary thing.

In the beginning, I looked upon its need with a great deal of doubt. Last year the Senate made provision for it when the bill went from the House to the Senate, and when the conferees met, your conferees would not agree that this item should remain in the bill. We had not been satisfied as to its necessity or as to the reasonableness of its cost, as explained by the Navy Department. Your committee now takes the view, after having heard the evidence presented with reference to the necessity and its value to the Naval Establishment, and to commercial activities engaged in shipping and coastwise trade and the development of the merchant marine, that there is ample justification for a modern ship model basin and that it should be constructed; but we turned thumbs down on the proposition submitted by the Department and the Budget, which would permit the purchase of 100 acres of land 15 miles out of Washington and pay for it \$654 an acre, and, starting from the beginning, construct an entirely new plant. Therefore we have provided \$2,500,000, instead of \$3,500,000 as requested by the Department, and are requiring that it be constructed on Government-owned property.

We believe the Navy has sufficient property and an ideal location down at Bellevue, D. C., now owned by the Government and partly occupied by the Naval Experimental Laboratory, and that the new model basin can be constructed there without the necessity of power plants and a great many other buildings and facilities necessary for the operation of a model testing basin if constructed on a track by itself. We are proposing, also, one other restriction. Your committee took the view that at Langley Field there is ample provision now for testing airplanes. We, therefore, eliminated from this item all matters dealing with aeronautics, which appeared to be in duplication of facilities now maintained by the National Advisory Committee for Aeronautics down at Langley Field.

Mr. Chairman, we are confronted with a request to spend \$1,000,000 in the enlargement of Bancroft Hall at the Naval Academy, and this item brings to the consideration of every Member of Congress a very important matter. It involves a question which ultimately may affect the cost of the retired list. It affects directly the number of men that ought to be sent to Annapolis, and it also affects directly the conditions existing so far as the number of line officers is concerned.

Your committee did not grant this request, and I am delighted to see members of the legislative Committee on Naval Affairs present. I have discussed this with some of the members of that committee, as well as with other Members of the House. We did not wish to say at this time that the number of appointments to the Naval Academy should, this next year, be limited to three, but it is my personal opinion—and I am not speaking for the committee now—that next year, unless some other solution of the officer problem be found, we shall be compelled to reduce the number of appointments to the Naval Academy to three rather than maintain it at four, as it now is. I shall not take the time, Mr. Chairman, to go into the details of the necessity for this action, except to say that the present authorized line-officer strength of the Navy is 6,531. That number was fixed in the act of July 22, 1935, and it was indicated at that time that it was the expectation to be able to arrive at that number by 1945. There were 6,257 line officers on the active list on September 30, 1936. Normal attrition is estimated at 2.5 percent.

Applied to the total authorized strength, that would represent an annual loss of 163 officers, while there will be an annually available inflow, on the basis of four appointments, of as many as 500 ensigns. Selection does not help the situation materially when it is considered that the passed-over lieutenants, junior grade, and lieutenants—and 72 percent of the authorized strength is in grades below lieutenant commander, are not separated from the Navy, but are permitted to be carried as additional numbers—the lieutenants until they have completed 21 years of service, and the lieutenants, junior grade, until they have had 14 years of service. The matter is further complicated by the introduction of the aviation cadet, who has proven that a solution has been found for supplying a large bulk of the needed flying-officer material. It is very doubtful if the Congress would be willing to forsake this arrangement and revert exclusively to getting aviation-officer material from Annapolis. These facts and considerations should be convincing that there is urgent need for further legislative consideration of the Navy's line officer situation, and raise a serious doubt as to the need or wisdom of continuing with four appointments to the Naval Academy. They constitute additional justification for the committee's refusal to recommend an addition to the dormitory facilities at the Naval Academy at this time.

Mr. Chairman, I yield myself 10 minutes more.

On page 19 of the report there appears a discussion touching a floating drydock. In 1935, Congress authorized the construction of a large floating drydock. The intention was to build it on the Pacific coast and to use it in the Pacific. Its authorized cost was \$10,000,000, including all accessories. The Department, with Budget consent, appeared before the subcommittee on deficiencies and obtained an appropriation of \$10,000,000. This past year, in 1936, bids were asked for. They were opened and the lowest bid was in excess of \$16,000,000 and the highest one in excess of \$21,000,000.

Manifestly it was impossible for the Navy to build the drydock within the authorized amount. I discussed the matter with the chairman of the full committee, and your Subcommittee on Naval Appropriations has reappropriated the \$10,000,000 which had been appropriated for the floating drydock and has applied it to the cost of "Pay of the Navy", and hence the paper reduction of \$10,000,000 to which I have previously called attention. Before the Navy Department can proceed further with the construction of such a drydock, it will be necessary for the Department to go before the legislative committee and request new authority for spending more than double the original amount the Department had estimated the drydock would cost.

Under the head of aviation, permit me to say that the bill is written in the figures and language of the Budget recommendations. There are many who believe that aviation has come to be one of the most important branches of our national defense.

Certainly no member of your subcommittee has a contrary view. We have provided in the bill for 1938, \$29,186,000 for the purchase of new planes, which is \$1,800,000, as I recall it, in excess of the sum allowed for that item for this year. With that money the Navy Department will purchase 251 replacement planes, 104 additional program planes, 42 Reserve planes, and 2 lighter-than-air ships, and will also be able to employ additional civilian inspection personnel. The Navy now has in use 970 so-called program planes, and there are 892 planes on order, making a total of 1,862 planes that we should have by the end of 1938. I might say in this connection that the delivery of planes, up until this time, has been somewhat slow. The Navy Department, however, anticipates that the deliveries will be made in due course and they do not consider it reasonable to anticipate any unexpected difficulties in connection with the delivery of the planes on order. It was estimated 2 years ago that 1,910 airplanes would be commensurate with a treaty navy.

We are working toward that number as rapidly as conditions will permit. We have allowed in this bill the full amount requested for the increased cost of maintenance and repair, and I call attention to the fact that you cannot keep adding additional planes to the number now in use

without also providing for an additional annually recurring expense of maintenance, operation, and repair.

On pages 20 and 21 of the report will be found a statement with reference to a limitation proposed to be placed upon the manufacture of airplanes and engines at the Naval Aircraft Factory at Philadelphia. This limitation was carried in the bill last year. It was stricken out in conference. I say to you frankly that it does not express my personal views on the subject. However, a majority of your committee felt that this restriction should again be included, and it is, therefore, a part of this bill.

As to the Marine Corps estimates, we have allowed practically everything requested, and I believe that the total reduction in the Marine Corps estimates aggregate about \$143,000. In passing, permit me to say that the Marine Corps, in the estimate and judgment of the subcommittee, still maintains, justly, its reputation for efficiency and effectiveness.

I now come to the largest item in the bill, "Replacement, Navy—New ship construction." Last year your subcommittee recommended \$168,500,000 for this purpose, and that amount was appropriated by the Congress. This year the Budget recommends \$157,000,000. We were told by the officials of the Navy Department that on June 30 of this year there would be a carry-over into the fiscal year of 1938 of \$56,500,000. The Navy Department also estimated that the maximum amount they expected to spend during the current fiscal year for ship construction would be \$180,700,000. Therefore, your committee has allowed an additional \$130,000,000, which, added to the carry-over of \$56,500,000, makes a total of \$186,500,000, which is \$5,800,000 more than the Navy expects to spend during the present fiscal year. In other words, do not understand that by that reduction the ship-construction program heretofore decided upon by the Congress and the administration will be in any wise impeded or retarded; but your committee felt that it should not provide more money for the Navy Department for any particular purpose than the Department, upon its own statement and evidence, could reasonably expect to need during the fiscal year for which the appropriation is being made.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I should prefer not to, just now.

This amount will be employed to continue the construction of 81 of the vessels that are now being built. Since the close of the fiscal year 1932 provision has been made for the construction of 106 vessels. Of this number 20 have been completed and 86 are still in the building stage.

In addition to carrying on the construction program underway, we have provided, in keeping with the policy of obtaining a treaty Navy by 1941, funds for beginning the construction of eight additional destroyers and four additional submarines, which, if we continue to adhere to the provisions of the Washington and London treaties, will leave, then, to be constructed approximately 15 destroyers and four submarines.

I believe, Mr. Chairman, that concludes what I wish to say at this time touching the major items with which your committee was called upon to deal. There is a matter of relatively minor importance upon which I should like to say a word before concluding.

Under two headings in this bill we were asked to appropriate as much as \$1,800 each for the purchase of new automobiles. Your committee, after considering the matter, fixed upon a maximum of \$1,300. Our reasons for so doing are as follows—

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. UMSTEAD] has again expired.

Mr. UMSTEAD. Mr. Chairman, I yield myself 10 additional minutes.

Under the present policy of purchasing automobiles, the Navy Department, as too do other Government agencies, buys cars at very favorable prices. I cannot give you the figures in dollars and cents. In addition to that, the maximum amounts we fix that may be paid for cars do not include

the trade-in value of a car on the purchase of a new one. I respectfully submit to those of you in this House who believe in economy and are always talking economy that this is one thing the committee did that ought to appeal to you. We feel that under our limitation of \$1,300, plus the trade-in value of the car, plus about a \$300 favorable Government allowance, a car thus purchased will be about in the \$1,700 or \$1,800 class. I, for one, believe that a \$1,800 automobile is good enough for any department of the Government or any official to use when it is being paid for by public taxation. We therefore have written a \$1,300 maximum into our bill, and I took the liberty of calling our action to the attention of the full committee of the Appropriations Committee in the hope that we should make some impression upon the entire Government structure.

Mr. Chairman, I have taken much longer than I intended to discuss some of the main items in this bill. Before concluding my remarks about the provisions of the bill I should be failing to do not only what I wish to do, but should do, if I failed to take this opportunity to express to each member of the subcommittee my thanks for the conscientious manner in which each of them endeavored to assist in the preparation of this bill.

I also wish to pay tribute to the efficiency and diligence of Mr. John Pugh, who sits at my left, clerk to the Subcommittee on Appropriations for the Navy. His capacity, his tireless energy, his knowledge of the Naval Establishment, his uniform courtesy and kindness commands the respect and admiration not only of the members of our subcommittee but all those who deal with him. [Applause.]

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. MAGNUSON. The gentleman in discussing the items passed over an item on page 16 providing for an appropriation for the navy yard at Mare Island. I wonder if the gentleman would explain how that got in the bill.

Mr. UMSTEAD. During the last Congress there was authorized the construction at Mare Island of a graving dock at a maximum cost of \$3,500,000. The committee last year allowed \$150,000 for the preparation of plans, the removal of sewer pipes, and other necessary preliminary work. This year the committee felt that the work should continue, and we therefore recommend \$500,000 additional funds in order that this project might be continued.

Mr. MAGNUSON. May I ask the gentleman if this item was recommended by any part of the Naval Establishment?

Mr. UMSTEAD. It was not, to the subcommittee. It has already been approved by the Navy Department and the Congress. It was not included in the estimates which came from the Budget.

Mr. MAGNUSON. Is it not a fact that the additional \$500,000 is the action of the subcommittee itself without recommendation?

Mr. UMSTEAD. In a sense, yes; although, as I stated, the project has been authorized by Congress.

Mr. MAGNUSON. Then may I ask the gentleman whether or not the Department recommended, in relation to the general subject of drydocks, a preference for a floating drydock, and the sum of \$10,000,000, in preference to the Mare Island dock?

Mr. UMSTEAD. It did not. The question of building a floating drydock was not before our committee at all, except by way of reappropriating money, which we did.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. McCORMACK. I am very much interested if the gentleman has any views he would want to express as to the condition of the auxiliary fleet? While I realize that probably an authorization must be made before the Subcommittee on Appropriations can act, I feel if the gentleman has any views on the condition of our auxiliary fleet I should be anxious to hear them, and I am sure other Members of the House would be anxious to hear them.

Mr. UMSTEAD. I am not prepared to give the information requested by the gentleman for the reason that it has been before our committee only by way of isolated and collateral statements. That subject, of course, should, of necessity, be dealt with by the naval legislative committee. I have no detailed information upon which to base any opinion about it.

Mr. McCORMACK. The reason I framed my question in the manner I did was because I appreciated the fact that the gentleman probably was in that position, that the first action will have to be taken by the legislative committee; but if the gentleman has any personal views, or information, or opinions on that important matter as distinguished from his position as chairman of the subcommittee, I know it would be very interesting and a powerful contribution. My understanding is that our auxiliary fleet is in rather bad condition.

Mr. UMSTEAD. I thank the gentleman for his observations. The only information that I should be willing now to give to the House is that the Chief of Naval Operations has expressed to our committee that our auxiliary vessels are in bad condition in many instances, and that some action should be taken; but I have no information further than his general statement.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. PHILLIPS. I should like to ask the gentleman several questions from notes I jotted down while he was talking. I noticed that on several occasions the gentleman referred, as I recall his words, to a treaty navy. For my part I should like to know if it is the policy of the United States Government in building our fleet to adhere to treaties which other nations no longer adhere to.

Mr. UMSTEAD. It would appear from the gentleman's question that he did not exactly understand my statement. I made no statement and do not now make any statement undertaking to say to the gentleman or to the Congress what the future naval policy of the United States may or may not be; but I do say to the gentleman that the appropriation items in this bill are made with the objective of developing a treaty navy as contemplated by the Vinson-Trammell Act; and at the time of the passage of that act both the London and Washington Treaties were in existence and operative.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield for a further question?

Mr. UMSTEAD. Certainly.

Mr. PHILLIPS. If I recall the gentleman's remarks correctly, he referred to the possible necessity of further legislation before money could be appropriated properly to set up the R. O. T. C. asked by the Navy Department. This is a subject in which I am interested, and I am wondering if the gentleman could not expand on it a little.

Mr. UMSTEAD. I shall be glad to, briefly. The present naval R. O. T. C. law, if I recall correctly, limits the number of R. O. T. C. students to 1,200. The Department now desires to exceed that number in a rather roundabout way, and the committee takes the view that additional legislation will be necessary before we shall have any authority to expand the number by way of appropriations.

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. O'CONNOR of Montana. On page 22 of the report appears the item of \$150,074,000 for 81 vessels building and heretofore initially appropriated for. Among the items are two battleships. Has the gentleman any information as to how much of the \$150,000,000 will be expended on the construction of the two battleships?

Mr. UMSTEAD. Approximately \$15,179,000.

Mr. O'CONNOR of Montana. For both ships?

Mr. UMSTEAD. During 1938, the duration of this bill.

Mr. O'CONNOR of Montana. What will be the ultimate cost of construction of these two ships?

Mr. UMSTEAD. \$60,173,000 each.

Mr. O'CONNOR of Montana. When will this sum have been expended by the Government?

Mr. UMSTEAD. It is estimated that it will require approximately 4 years to complete them.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. KOPPLEMANN. In answer to the gentleman from Connecticut [Mr. PHILLIPS], the gentleman from North Carolina stated that the objective was a treaty-sized navy, if I understood the gentleman correctly.

Mr. UMSTEAD. That is correct.

Mr. KOPPLEMANN. I rise to ask what other reason there is for what I consider a very, very large appropriation, what other basis is there?

Mr. UMSTEAD. I realize, of course, that I could not answer within any reasonable time the gentleman's question because I am of the opinion that he does not believe in any great measure of national defense. The object of this bill, whether you express it in terms of a treaty navy or otherwise, is to provide for the United States and the people who live therein an adequate national defense. [Applause.]

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield further?

Mr. UMSTEAD. I do.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, the gentleman is making a very informative address. I ask unanimous consent that he may be permitted to yield himself such additional time as he may require to conclude his remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. KOPPLEMANN. In view of what the gentleman has just said, I want him to know that I stand for adequate national defense. The difference between the gentleman and myself is in what I consider unnecessarily large expenditures.

Mr. UMSTEAD. I yielded to the gentleman for the purpose of asking a question. I hope to be able to yield to him time in his own right to make a speech.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. PHILLIPS. As I recall it, the gentleman stated that the Navy was unable to expend all of the money appropriated last year. I do not want to make a speech; I want only to ask a question. I am interested in a large Navy, but I cannot understand why the Navy cannot expend the money we appropriate for building a large Navy.

Mr. UMSTEAD. That is a long and somewhat involved subject. There are many things that must be taken into consideration in determining how money may be spent properly and wisely for building up the Navy.

I do not have the time now to go into all of that, but I should like to refer the gentleman to Admiral Land's statement before the committee dealing with matters affecting delay in the construction program.

Mr. DELANEY. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from New York.

Mr. DELANEY. On page 10 of the committee report, in discussing the Charleston plant, the gentleman referred to the fact we are renting houses down there at a very small rental not commensurate with prices received for private dwellings elsewhere in the vicinity. All over the country we have many establishments of the Navy, which, in the opinion of the Navy and our committee, should be disposed of or dismantled. Has the gentleman any suggestions to make along this line?

Mr. UMSTEAD. I have not. I understand that some evidence has been presented to the legislative committee on that subject. We have accumulated in the hearings considerable evidence, and I think the testimony will be of interest to the members of the legislative committee. I have no solution to offer at this time, but I believe those charged

with that responsibility—and our committee is not—should find some solution.

Mr. DELANEY. I agree with the gentleman.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. What has the committee recommended for the Boston Navy Yard? That is not in my district, but many of my constituents work over there at times.

Mr. UMSTEAD. There is no specific item. I could not give the gentlewoman the total allocation for the Boston Navy Yard because that happens to be involved in lump-sum appropriations under several different bureaus in this bill, and there does not appear a break-down for the Boston Navy Yard or any particular yard.

Mrs. ROGERS of Massachusetts. Does the gentleman remember whether the appropriation for the Boston Navy Yard has been increased or decreased?

Mr. UMSTEAD. I should say it has been increased, but only to the extent of the natural and normal increase of the entire Naval Establishment.

Mr. FOCHT. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Pennsylvania.

Mr. FOCHT. May I call the gentleman's attention to a discussion in the last session of the Congress with regard to certain superdreadnaughts or battleships? I refer to two high-priced battleships.

Mr. UMSTEAD. Yes.

Mr. FOCHT. Was not the statement made here at the conclusion of that program we would have about 2,700 airplanes?

Mr. UMSTEAD. I do not recall such a statement being made on the floor; no.

Mr. FOCHT. That is my recollection. I notice there has been a diminution of 1,000, and I was wondering what happened to those airplanes.

Mr. UMSTEAD. I am inclined to think the gentleman is confusing Army and Navy figures.

Mr. O'CONNOR of Montana. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Montana.

Mr. O'CONNOR of Montana. I agree with the distinguished gentleman from Virginia that the gentleman is making a very informative speech this morning. As the gentleman is very familiar with the subject, I would like to have his opinion on what constitutes an adequate defense and what does he understand to be included in the word "defense" as we use it in connection with these appropriation bills? In other words, how far are we to go in defending ourselves? I would like to get the gentleman's opinion upon that matter.

Mr. UMSTEAD. I thank the gentleman for the first part of his statement, and I assume the gentleman knows that it would be utterly impossible for me to answer his question in the time left at my disposal.

Mr. O'CONNOR of Montana. No. I am anxious to hear the gentleman's opinion.

Mr. UMSTEAD. May I refer the gentleman to a study of the various elements involved in a treaty navy, to the place and position which the United States occupies among the family of nations, and to all other matters affecting our international relationships and the necessity for a defense of our country?

Mr. O'CONNOR of Montana. I just wanted the gentleman's opinion.

Mr. PHILLIPS. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. I would like to ask the gentleman just two more questions. One refers to lighter-than-air craft and the other refers to whether or not we have appropriated money to fix Bancroft Hall. I want to know if Bancroft Hall will be safe and sanitary and fully fireproof despite the fact we have not appropriated money to fix it up.

Mr. UMSTEAD. The gentleman again misunderstood my statement. I did not make the statement that we are not appropriating money to repair, maintain, and keep in excellent condition Bancroft Hall. The item that the committee recommended be not allowed is for an extension of Bancroft Hall, which has nothing to do with the maintenance of the institution.

Mr. PHILLIPS. May I ask the further question whether or not consideration has been given to lighter-than-air craft?

Mr. UMSTEAD. It was to the extent of the two ships provided for in the estimates.

Mr. GIFFORD. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. This interjection does not refer to battleships. One of the chief items of defense the gentleman may have in mind or should keep in mind is that we better preserve the credit of the Nation so that we may have funds for defense at some future time.

Mr. UMSTEAD. I am not differing with the gentleman about the preservation of the credit of our Nation. If he will take the Budget estimates and look at the amounts carried in this bill, I think he will give a little credit to us for trying to carry out that theory. [Applause.]

Mr. MAGNUSON. Will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Washington.

Mr. MAGNUSON. The gentleman will consider my questions in the light of trying to secure information and not as critical of the committee. I am interested in the question of a floating drydock. The gentleman stated that the question of a floating drydock did not come before his committee.

Mr. UMSTEAD. I stated the question of constructing the drydock did not come before our committee as such, and it did not.

Mr. MAGNUSON. Did not the Navy Department state that the matter was so urgent it was brought up before the Deficiency Committee?

Mr. UMSTEAD. That was in 1935 after Congress passed the enabling act. The Department went before the deficiency subcommittee on the basis of an emergency and secured an appropriation; yet from the spring of 1935 until the autumn of 1936 no proposal had been invited. The gentleman understands the reason it was not before our committee?

Mr. MAGNUSON. I do not understand the reason the committee took out the \$10,000,000.

Mr. UMSTEAD. Because the act limited the total amount to be expended to \$10,000,000 and the lowest bid submitted was \$16,163,000.

Mr. MAGNUSON. Could not the Appropriation Committee recommend to the Committee on Naval Affairs the appropriation of an additional \$6,000,000?

Mr. UMSTEAD. Our committee does not determine what the policy of the Naval Affairs Committee should be.

Mr. KOPPLEMANN. Did the gentleman's committee take into consideration the anticipated passage of neutrality legislation by the Congress in relation to the large expenditures for an increased Navy as contained in this bill?

Mr. UMSTEAD. I can answer the gentleman by saying that that matter was not considered by our committee at all, and so far as these estimates are concerned, was not considered in any of our deliberations or conclusions.

I also may say further to the gentleman that, as the gentleman knows, the legislation has not yet passed, and it is not the function of the Committee on Appropriations to consider legislation until it has been enacted by the Congress and signed by the President.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Indiana.

Mr. LUDLOW. If the gentleman will allow me to interrupt his very able presentation of this bill, I may say that I think the gentleman knows my deep-seated conviction that the Government should not enter into competition with private business, and I note with some concern the extent to which the Navy Department has entered into the manufac-

ture of airplanes. I know, of course, this is not a matter within the control of the gentleman's committee, because this is done pursuant to existing statutes, but I should like to ask the gentleman if he can give us information as to how many airplanes have been manufactured by the Government for the use of the Navy?

Mr. UMSTEAD. I understand 39 training planes have been delivered and 165, including the 39 already delivered, are under construction at the aircraft factory in Philadelphia.

Mr. LUDLOW. And will the gentleman tell us about the limitation carried in this bill against the manufacture of engines?

Mr. UMSTEAD. Yes. If the gentleman will read the language of the limitation, it will be clearer than any language I can now use. The limitation was included in last year's bill and was eliminated by the Senate and finally by the conferees. I stated, and will repeat, that although, generally speaking, I am in accord with the gentleman's philosophy about competition, when it comes to a question affecting the procurement of elements of national defense and all of the various phases of such defense, then I do not follow through with the gentleman on his theory of competition, and the limitation in this bill does not express my personal attitude, but represents the action of the committee.

Mr. LUDLOW. Does not the gentleman think there are private concerns that are capable of making these engines?

Mr. UMSTEAD. Yes; but I also think that although, of course, private industry is capable of making them, the United States Government would perhaps do well to have a yardstick on the cost of manufacturing airplanes so that it may know whether it is being charged too much or not. [Applause.]

Mr. LUDLOW. Does not the gentleman think that such a yardstick can be very readily available without actual manufacture by the Government?

Mr. UMSTEAD. I do not think so, and if the gentleman will read the hearings on the bill he will see from the questions propounded and the answers thereto that it is entirely possible to obtain a yardstick in the manufacture of airplanes, and I may say to the gentleman that the thing which bothers me about this matter is that unless we do this, how are we ever going to know how much we are being overcharged, even with the 10-percent profit limitation, in the large number of planes we are purchasing.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from California.

Mr. COLDEN. May I ask the gentleman whether his committee considered the advisability of building a permanent graving dock on the coast of southern California and one at Honolulu as a substitute for the floating dock that was previously authorized?

Mr. UMSTEAD. I may say, with all courtesy and deference to my friend from California, that the committee was so busy considering the items placed before it, the aggregate of which ran into such a large sum of money, we did not consider such items as the gentleman has mentioned which were not included in the bill.

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from New York.

Mr. DELANEY. The gentleman has been very generous in his praise of his associates on the committee and of the secretary of his committee, and I want to pay a brief tribute to the gentleman for his very able presentation of this entire matter. I think everyone present appreciates the hard work the gentleman has undertaken and has so successfully carried out. [Applause.]

Mr. UMSTEAD. I thank the gentleman from New York.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman from Michigan, and then I shall have to conclude.

Mr. CRAWFORD. I do not know whether this question comes within the jurisdiction of the gentleman's committee or not, but in the matter of over-aged naval vessels, of which we have approximately 213, can the gentleman tell us

what efficiency they would have in defensive or offensive service and does over aged mean that they are obsolete or just over aged?

Mr. UMSTEAD. Do I understand the gentleman to refer to decommissioned vessels?

Mr. CRAWFORD. I would not say decommissioned, but vessels which are classed as over age.

Mr. UMSTEAD. I may say, in answer to that question, that some over-age vessels are still useful and there are many such vessels now in use. The truth is, and I say this partially for the benefit of my friends, the gentleman from Connecticut [Mr. KOPPLEMANN] and the gentleman from Iowa [Mr. BIERMANN] all vessels included in the 20 already completed and the 81 now under construction and the 12 new destroyers and submarines provided for in this bill are replacement vessels and do not add to the previous number of vessels in our floating Navy.

Mr. CRAWFORD. As I understand, there is a distinction in the classification of obsolete vessels and over-age vessels?

Mr. UMSTEAD. There is.

Mr. CRAWFORD. And those that are obsolete are not used at all?

Mr. UMSTEAD. There is quite a distinction between obsolete and over-age vessels. Over-age vessels are both so in fact and by reason of an arbitrary over age status prescribed in treaties. As to some of our vessels classified as over age, I should say no, and some of them unquestionably may be used again. A decommissioned vessel over age, if it be in fair condition and is kept up in proper repair—and we are maintaining a number in proper repair—in the event of an emergency could be recommissioned and could perform some very worthwhile and necessary functions.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I stated that I should not yield further, but I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am very much interested in safety in the air. Can the gentleman tell me what is done with the obsolete airplanes?

Mr. UMSTEAD. I understand when they are declared to be obsolete and unsafe to fly they are not permitted to be used by any branch of the naval service.

Mrs. ROGERS of Massachusetts. Does the gentleman know whether accidents have decreased or increased, and the number of deaths?

Mr. UMSTEAD. I understand from the hearings before our committee that accidents are materially upon a decline.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. UMSTEAD. I yield to the gentleman.

Mr. KOPPLEMANN. Would the gentleman be willing to state, in the event of the passage of the neutrality legislation such as was passed in the Senate, that that would make unnecessary the size of the present Navy?

Mr. UMSTEAD. Of course, I am not prepared to answer that question, because I have not up until this time even had an opportunity, due to my labors in connection with this bill, to give proper consideration to the neutrality bill passed by the Senate. I am not familiar with all of its provisions.

Mr. KOPPLEMANN. I thank the gentleman, and I appreciate that he is a very busy working Member of this Congress.

Mr. UMSTEAD. Mr. Chairman, I reserve the remainder of my time. [Applause.]

With the consent of the gentleman from Pennsylvania [Mr. DITTER], I now yield 5 minutes to the gentleman from Texas [Mr. JONES].

JAMES P. BUCHANAN

Mr. JONES. Mr. Chairman, this is the twenty-fourth anniversary of the beginning of the service in Congress of the late JAMES P. BUCHANAN. I had intended to say a few words the day his death was announced, but my sense of loss was so overwhelming that I did not trust myself to undertake an expression at that time.

In my judgment, Mr. BUCHANAN was one of the great men of this generation. He was unusually well endowed with the qualities that go to make up an ideal public servant.

He had courage. I think we all agree that that is one of the most essential qualities of a good Representative. He possessed that quality to a superlative degree. He met all problems head up and unafraid.

He had ability. I think all who knew him will concede that. He always knew what it was all about.

He had honesty. If JAMES P. BUCHANAN told you he would do a thing, he might do more than he promised, but he would never do less.

He was unselfish. He had rather a brusque manner. It took a little while to learn what sort of man he was, but he had a heart as big as Texas, the State that he loved best, although he served all 48 with equal diligence.

He never sought anything for himself in the way of recognition except as an avenue for public service. The height of his ambition was to be chairman of the great committee of which he became chairman. He attained his ambition and used that position, as he conceived his duty to use it, in the interest of his country. He was intensely patriotic and loved his country, and, as near as a human being could, he thought only of his country's good.

I was very much impressed when talking to his physician on the day it became apparent that he could not meet the crisis with which he was faced. The physician told me that Mr. BUCHANAN, before the session began, had asked him about his future. The physician advised him that if he would quit his work and retire to his country home and live quietly he would probably live a number of years; but he told him that he could not do any great amount of work, and that if he persisted in his continuous efforts here in the House he probably would not last more than 2 or 3 months. After studying a moment, Mr. BUCHANAN said, "I believe I shall take my 2 months as a real man, as I have no desire to live uselessly."

That showed the real spirit of the man. It recalled to my mind a little poem by a noted columnist, Mr. W. F. Kirk. In the hours of his last illness, Kirk wrote a poem called the Ninth Inning. The last stanza of that poem, if I can repeat it correctly, is as follows:

Twas a glorious game, from the opening bell;
Good plays, bad plays, and thrills pell-mell.
The speed of it burned my years away,
But I thank Great God that He let me play.

Words seem so futile. He was probably the best friend that I ever had in public life. He was almost like a father to me. Anything like an oration or a speech is not in order. I merely wanted to speak these few simple sentences of honest tribute to a great spirit with whom we had the privilege of serving. [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include certain excerpts from the opinions of the Supreme Court and certain other documents and articles to which I shall refer.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Chairman, I desire to discuss the report of the Brownlow Reorganization Committee, as it relates to the Interstate Commerce Commission, although what I have to say will apply quite as much to some of the other more important regulatory commissions or independent establishments of the Government, such as the Federal Trade Commission, the Federal Communications Commission, the Securities and Exchange Commission, and the Federal Power Commission, to mention some of the more important ones only. I confine myself particularly to the Interstate Commerce Commission, because my membership on the Committee on Interstate and Foreign Commerce of the House brings me into closer contact with the work of that Commission than of any of the others.

Let me say at the outset that I am a friend of reorganization and hope to be able to support the legislation reported by the Joint Committee on Organization. I may add that that hope is based upon the further hope that the joint committee will not accept some of the recommendations of the Brownlow Committee.

The Interstate Commerce Commission was the first regulatory commission. It was created by the passage of the Interstate Commerce Act in 1887—50 years ago—and the first chairman of the Commission was the distinguished author and jurist, Thomas M. Cooley, of Michigan.

The regulatory commissions have all been created by Congress and made its agents to assist it in the performance of the duty imposed upon it by the Constitution, "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." In the aggregate they cover a broad field and exercise tremendous power for weal or woe. At the same time, it should be kept in mind that they have no power, can exercise none, except that which has been expressly delegated to them by Congress.

SCOPE OF WORK OF REGULATORY COMMISSIONS

Some idea of the scope of their work may be had by a brief reference to the subjects or business over which they have jurisdiction. For example, Congress has made it the duty of the Federal Trade Commission to prevent unfair methods of competition on the part of those doing business in interstate commerce; of the Federal Communications Commission to regulate and control those engaged in the transmission of communications by wire or radio; of the Securities and Exchange Commission to regulate and control the stock exchanges and the issuance of corporate securities entering into interstate commerce; of the Federal Power Commission to regulate and control water-power projects on navigable streams and the transmission of electric energy in interstate commerce; and of the Interstate Commerce Commission to regulate the railroads of the country.

It would be hard to overstate the importance of these commissions. Every one of us, every American citizen, is directly affected by their work in his everyday life. In recognition of their importance and in order that they might be as free as possible from political and other control, Congress in creating them has given them an independent status outside of the regular departments of the Government, which are under the jurisdiction and the control of the members of the Cabinet. Up to this hour they are and always have been responsible to Congress, and to Congress alone. The Brownlow committee would change all this.

The papers last week carried stories to the effect that, in addition to the report of the committee, a confidential bill, prepared presumably by Mr. Brownlow, or under his supervision, was before the joint committee of the two Houses on reorganization, and at the same time an alleged summary of the bill was published.

It was difficult for me to get any more out of the summary than I did out of the report, and I assume that the bill, if there is one, having been prepared by Mr. Brownlow, attempts to put into legislative form the recommendations of the committee of which he was the chairman.

I see no reason why a bill of such importance and great public interest should be kept confidential, but, be that as it may, there was one statement in the story relating to the bill in the Washington Post that was especially significant. It was this:

Proposed changes were submitted by Louis Brownlow . . . and are understood to have been "casually" examined by the President—

The word "casually" being in quotation marks.

Herein lies the danger in accepting drafts of bills proposing legislation sent up from the White House as the work of the President. By the very nature of things and the multiplicity of his duties, the President can examine them "casually" only, if at all. They are often prepared, as in the case of the Brownlow committee, by someone without official responsibility, without public hearings, at least, and without practical experience in the field with which he attempts to deal.

I think it is only fair to say in this connection that the membership of the joint reorganization committee is such that we may expect it to carefully analyze any recommendation or bill submitted to it and to draft a bill of its own before recommending any to either House of Congress. The friends of the committee will be greatly disappointed if it does not do that.

RECOMMENDATION OF BROWNLOW COMMITTEE

It is impossible to get the full import and implications of the Brownlow committee report without a careful study of it; but, stated briefly, as far as its proposal relating to these regulatory commissions is concerned, it recommends that they be deprived of their independent status, placed in one or another department of the Government, and put under the control of, and made responsible to, a member of the Cabinet, a political appointee, and, through him, to the President. After that has been done, the work of the commissions is to be divided; the legislative, or quasi-legislative, part of it is to be separated from the judicial or quasi-judicial part and performed by a bureau or division, set up in the Department for that purpose, the members of the commissions proper to confine themselves in the future to the purely judicial part of the work now performed by them.

MEANS POLITICAL CONTROL

This recommendation, if carried out, means a radical change in a long-established practice of the Government and involves a question of public policy of fundamental importance. It seems to me and to others with whom I have discussed the matter, that it would change the very nature of the Interstate Commerce Commission; in fact, that it would destroy it as we have known it and as it has existed throughout the years. A former member of the Commission, testifying before the Committee on Interstate and Foreign Commerce of the House a few days ago, gave it as his opinion that it would be better to abolish the Commission altogether than to put into effect this recommendation of the Brownlow committee.

Putting these commissions under a member of the Cabinet means political control. Can anyone imagine anything more unfortunate? It means direct and constant contact between the Executive and the commissions, which would deprive them of the independence which they now enjoy. Their work would thereby be subjected to political influence which might prove very powerful when an administration had some political policy or plan it desired to put across or when the exigencies of party politics seemed to demand it. Think of the power which an Executive would have under such circumstances to reward or punish if he saw fit to use it for that purpose.

Who would want to make a political campaign upon the issue of whether railroad rates should be lowered or raised? When one contemplates the possibilities of this proposal, he can well understand the feeling of the former member of the Interstate Commerce Commission who declared it would be better to abolish the Commission altogether.

The friends of the work of these commissions may take some encouragement from the apparent uncertainty of the Brownlow committee itself as to the wisdom of the recommendation.

The report speaks of it as a "possible solution" only. Referring to it, the report says:

The following proposal is put forward as a possible solution of the independent-commission problem, present and future.

That language indicates that the committee itself was not certain of the wisdom of its position. It may be that upon further reflection it will withdraw the recommendation which it has made as to these commissions. It is devoutly to be hoped that it will; but if it does not, then the friends of the work which they are delegated to perform must rely upon the good judgment of the reorganization committees of the House and Senate not to report any legislation which will attempt to put the recommendation into effect.

As a practical matter, it is difficult to see how it could be worked out. I venture to say that anyone who attempts to

draft legislation attempting it will not find it "simple", as the report speaks of it. But suppose it could be done, what would be the result?

In the first place, the bulk of the work of the Commission, or, in the language of the report—

All the purely administrative or sublegislative work now done by the Commission; in short, all the work which is not essentially judicial in nature—

would be done by a regular bureau or division in the Department directly responsible to the Secretary. The Commission now has an organization of about 2,000 employees, many of them experts in their field. They would all be assigned to a department, become subject to a bureau chief, and their work directed by him. It is not quite clear just what the status of the members of the Commission themselves would be. It would be some sort of a mongrel affair, a cross between complete independence which they now enjoy and responsibility to the head of the department. One thing is certain, they would not be burdened with work, as the strictly judicial part of the work of the Commission is limited. It consists largely in the trial of reparation cases.

RECOMMENDATION WOULD WEAKEN WORK OF COMMISSION AND RESULT IN DUPLICATION AND WASTE

Assuming that the work of the Commission could be divided, as recommended by the Brownlow committee, it would be bad public policy to do it. It would weaken materially the Commission's regulation of the railroads, result in duplication of effort, and a waste of time and money on the part of both the Government and of the shippers and railroads as well. The quasi-legislative work and the quasi-judicial work of the Commission overlap and merge into each other to a great extent.

Mr. ROBSION of Kentucky. Would the gentleman mind if I asked him to yield at this point?

Mr. MAPES. I shall be glad to yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I notice the reorganization recommendation is to divide the Commission into two bodies, one a quasi-legislative body. What duties would they perform as a quasi-legislative body?

Mr. MAPES. I am coming to that. I hope to answer the question of my friend fully a little later in my remarks, I will say to the gentleman.

The fixing of rates for the future is a legislative act. An award of reparations for overcharges in the past is a judicial act. Frequently, the Commission at the same hearing considers the question of awarding reparation for overcharges in the past and fixing rates for the future. That could not be done under the set-up of the Brownlow Committee. As stated by the Supreme Court in the case of *Baer Bros. v. Denver, Rio Grande R. R. Co.* (233 U. S. 486):

That the two subjects of reparation and rates may be dealt with in one order is undoubtedly true. But awarding reparation for the past and fixing rates for the future involve the determination of matters essentially different. One is in its nature private and the other public. One is made by the Commission in its quasi judicial capacity to measure past injuries sustained by a private shipper; the other, in its quasi legislative capacity, to prevent future injury to the public. But testimony showing the unreasonableness of a past rate may also furnish information on which to fix a reasonable future rate and both subjects can be, and often are, disposed of by the same order.

With a separation of the work, as the Brownlow Committee recommends, such testimony would all have to be duplicated.

DUTY OF CONGRESS TO MAKE RATES

It is the duty of Congress to fix railroad rates or, stated in another way, the fixing of rates is a legislative act. In the language of the Supreme Court in *Louisville & Nashville R. R. Co. v. Garret* (231 U. S. 298, p. 305):

It has frequently been pointed out that prescribing rates for the future is an act legislative, and not judicial in kind. It pertains broadly speaking to the legislative power. The legislature may act directly, or, in the absence of constitutional restriction, it may commit the authority to fix rates to a subordinate body.

Congress saw fit to "commit the authority to fix rates to a subordinate body", to use the language of the Court, when

it created the Interstate Commerce Commission. The multiplicity of duties of Congress and the complexity of the rate-making problem, made it necessary for Congress to take such action in order to properly perform the duty imposed upon it by the Constitution. The fundamental idea underlying all commission regulation of public service corporations is that a small body of qualified experts, removed from political control, can do the job for Congress better, more continuously, and more efficiently, than Congress itself can do it.

The Interstate Commerce Commission "as the agent of Congress in making rates", quoting again the language of the Supreme Court—

Must make them in accordance with the standards and under the limitations which Congress has prescribed (*Morgan v. U. S.*, 298 U. S. 468).

DUTY OF COMMISSION UNIQUE

The Commission has a unique duty to perform as compared with the regular administrative agencies of the Government. It is given the Transportation Act and told to make it work. In order to do that, it must develop and have at its command a staff of experts. In its work and in the preparation of its cases, it now has the opportunity to call in its experts, to produce evidence if it sees fit to do so, to examine witnesses; in short, to make up a complete record. The Brownlow Committee would change this. It says:

The judicial section would sit as an impartial, independent body, to make decisions affecting the public interest and private rights upon the basis of the records and findings presented to it by the administrative section.

Under that set-up the Commission would not have the opportunity of seeing the witnesses even. The most that could be said for it is that it would become just another court and would delay the final determination of contested cases to that extent, although it would be obliged to render its decisions entirely "upon the basis of the records and findings presented to it by the administrative section." It just does not seem as though that sort of thing would work with any degree of satisfaction.

The plan, if put into effect, would deprive the Commission of the power which it now has of initiating investigations upon its own motion, such as the investigation of freight charges in the United States, which it made in 1922 and which resulted in an order reducing them, and the investigation of passenger fares and surcharges, such as it made last year and which resulted in the reduction of passenger fares and the elimination of surcharges.

REASON FOR RECOMMENDATION

What is the reason for this recommendation proposing such a radical change of governmental policy? It is frankly stated to be for the purpose of bringing all the regulatory commissions and their staffs under the control of the Executive and to make them responsible to him.

The report emphasizes the alleged necessity of centralizing and enlarging the powers of the Executive from the standpoint of management, but it fails to grasp, apparently, the functions of these regulatory commissions when it recommends that they be placed under the control of and made responsible to the Executive. They exercise no executive power in the proper meaning of that term. They are agents of Congress. While the Constitution vests the executive power in the President, it vests in Congress exclusively the power to regulate commerce between the States, with foreign nations, and with the Indian tribes. The President has no power to regulate commerce. These commissions are created by Congress to assist it in the performance of its duty in this respect. Is Congress willing to place them under the control of the Executive in the performance of a duty imposed upon it by the Constitution and delegated by it to them as its agents?

What the Supreme Court said in the *Humphrey's* case of the Federal Trade Commission (*Humphrey's Executor v. U. S.*, 295 U. S. 628) applies to all regulatory commissions.

The Federal Trade Commission—

The Court in that case declared—

is an administrative body created by Congress to carry into effect legislative policies embodied in the statute in accordance with the legislative standard therein prescribed, and to perform other specified duties as a legislative or as a judicial aid. Such a body cannot in any proper sense be characterized as an arm or an eye of the Executive. Its duties are performed without Executive leave and, in the contemplation of the statute, must be free from Executive control. In administering the provisions of the statute with respect of "unfair methods of competition"—that is to say, in filling in and administering the details embodied by that general standard—the Commission acts in part quasi-legislatively and in part quasi-judicially. * * * To the extent that it exercises any executive functions, as distinguished from executive power in the constitutional sense, it does so in the discharge and effectuation of its quasi-legislative or quasi-judicial powers, or as an agency of the legislative or judicial departments of the Government.

REPORT FAILS TO GRASP TRUE FUNCTION OF COMMISSIONS

In other respects the Brownlow committee seems to fail to grasp the true function of these commissions. Throughout the section of the report dealing with them reference is made to their "policy determining powers" or functions as if they, in and of themselves, could initiate and put into effect governmental policies or could exercise policy determining functions. Of course, they cannot do any such thing.

The report at one point declares:

They are vested with duties of administration and policy determination with respect to which they ought to be clearly and effectively responsible to the President.

At another place it says that—

The bulk of regulatory commission work involves the application of legislative standards of conduct to concrete cases.

This declaration seems a little contradictory of the other.

A function—

It continues—

at once discretionary and judicial and demanding, therefore, both responsibility and independence.

The report further declares that the independent commissions constitute a "headless 'fourth branch' of the Government"; that instead of calling them "independent" regulatory commissions "it would be more accurate to call them 'irresponsible' regulatory commissions, for they are areas of unaccountability" and that they are "vested with duties of administrative and policy determination."

Quite the contrary is the fact. They are agents of the Congress, as I have said, without any power or authority except such as Congress has delegated to them and are at all times responsible to Congress. They make annual reports to Congress. Representatives of the Interstate Commerce Commission are constantly before the Committee on Interstate and Foreign Commerce of the House and the Interstate Commerce Committee of the Senate. All legislation affecting the Commission is reported by these committees and the work of the Commission is under constant scrutiny by them. In addition to that, the Commission must appear annually before the Committee on Appropriations in support of its recommendations for funds to carry on its activities and its representatives are subjected to examination by that committee. Furthermore, the members of the commissions are dependent upon the President for reappointment and the Senate for confirmation. They may also be removed from office for neglect of duty or malfeasance in office.

In the light of these conditions, it seems wide of the mark to speak of the Interstate Commerce Commission as being irresponsible. Is no public official responsible unless he is under the control of and responsible to the Executive in the performance of his duties? Every public official is responsible to the public whom he serves and subject to the law of the land.

Mr. Landis, the able and distinguished Chairman of the Securities and Exchange Commission, in an address only last Saturday night before the Swarthmore Club of Philadelphia, speaking of his Commission, made some observations very pertinent to this recommendation of the Brownlow committee, although I do not know whether he had it in mind at the time or had ever heard of it or not.

The Sunday New York Times in its account of his address said that—

Mr. Landis ridiculed the assumption; then quoting the words of Mr. Landis, "widely held, but seemingly far from reality" that the Commission possessed "unrestrained freedom in the pursuit of its policies."

The Times story goes on to quote Mr. Landis as follows:

"Fundamental to the very creation of administrative authority is the fact that its source is legislative", he said. "It can be destroyed or altered as easily, if not more easily, than it can be born. Its actions are under the constant scrutiny of the legislature, to which it reports annually."

"Its appropriations, the lifeblood of its being", the Times continues to quote him as saying, "are a matter of annual grant and possess no inviolability in the eyes of either the Budget or Appropriations Committee."

The issue, he stated, "is one of practicality, not of doctrine; an issue of efficient and fair dispatch of business, not of formalism as to method of procedure."

It is evident that Mr. Landis, who has had practical experience and knows whereof he speaks, has a different opinion than the members of the Brownlow committee about the responsibility and power of these commissions.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I am glad to yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. The gentleman is discussing a very important matter, and, frankly, one that I have not made up my mind on; so when I ask the gentleman a question, I do not want the gentleman to infer that my mind is contrary to the question I ask, because my mind is open. The independence of these commissions is very thoroughly appreciated, and the necessity of preserving them is a matter of import and worthy of most profound consideration. I realize, as the gentleman has very pointedly drawn out, the difficulty of separating the administrative from the quasi-judicial functions, and I would like to ask the gentleman if he has any views on independent commissions being made a part of some one of the established departments of government for budgetary purposes, retaining their independence in respect to the duties of the commission imposed upon them by law?

Mr. MAPES. I will say to the gentleman that would carry with it practically all of the objections, in the judgment of those who have considered the matter, that are raised to the recommendation of the Brownlow committee. It would establish a direct and constant contact between the Executive and the commissions, which would deprive them of the protection which they now enjoy because of their independent status.

A reference to the hearings before the Committee on Interstate Commerce of the Senate in the Seventieth Congress on the confirmation of Messrs. Aitchison, Farrell, and Porter to be members of the Interstate Commerce Commission will show what the members of that committee thought about this matter and what their answer would have been to the question of the gentleman from Massachusetts. Commissioner Aitchison was subjected to a grueling examination upon that occasion by the members of the committee, particularly Senator WHEELER, who was critical of the Commission because it had not been more active in the exercise of the power delegated to it to regulate telephones. Commissioner Aitchison said that Congress had not appropriated funds sufficient to make it possible for the Commission to do more than it had. Then Senator WHEELER wanted to know why the Commission had not been more vociferous in making its needs known to Congress. A general discussion was then engaged in between the Commissioner and the Senators over the provision in the Budget law which prohibits any officer or employee of any department or establishment of the Government to make a request for any appropriation or for an increase of any item as submitted to Congress by the Bureau of the Budget through the President unless at the request of either House of Congress.

As the hearings were about to close, this colloquy took place:

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Senator PITTMAN. What I am getting at is this: I am dissatisfied with the whole Commission in their failure to grasp the intent of Congress in creating the Interstate Commerce Commission, and that was that it was to be a separate, nonpartisan commission as far as possible, and I mean by that it was to be an establishment that was as independent as possible of any institution except Congress. * * * It looks to me as though the institution has conceived the idea that it is responsible to the Chief Executive rather than to Congress.

Commissioner AITCHISON. No.

Senator PITTMAN. Because you are attempting to carry out what is termed an economic policy which is contravening the law of Congress.

The CHAIRMAN.—

Who was Senator Watson, of Indiana—

I have not any doubt about this as a general principle, because this idea of economy has been so thoroughly indoctrinated that I think it has been thoroughly inculcated. Of course, they lose sight of the legislative function and that the Interstate Commerce Commission is purely an agent of Congress simply because of the inability of Congress to do it.

Commissioner AITCHISON. Yes, sir.

Senator WHEELER. But they assume that they are a branch of the executive branch of the Government rather than the legislative branch of the Government.

Senator PITTMAN. I hope that the Commission does not find anything in the statute other than that section 206 to cause them fear, because the effort of Congress was to have an independent body and not a body that was afraid of anyone.

No one ever had any doubt about the responsibility of the Commission or the advantage of its occupying an independent status, free from Executive or political control, before this report of the Brownlow committee was made.

Quoting again from the opinion of the Supreme Court in the Humphrey case:

It is charged—

The Court said, speaking of the Federal Trade Commission—

with the enforcement of no policy except the policy of the law. Its duties are neither political nor executive, but predominantly quasi judicial and quasi legislative. Like the Interstate Commerce Commission, its members are called upon to exercise the trained judgment of a body of experts "appointed by law and informed by experience."

And again, said Justice McKenna, in *Interstate Commerce Commission v. Chicago, Rock Island & Pacific Railway* (218 U. S. 102), the powers of the Commission are "to be exercised in the coldest neutrality."

The Supreme Court said a good many things in the opinion in the Humphrey's case which are pertinent to this discussion. Referring to the report of the committee and the debates in Congress on the bill to create the Federal Trade Commission, it said:

The report declares that one advantage which the Commission possessed over the Bureau of Corporations (an executive subdivision in the Department of Commerce which was abolished by the act) lay in the fact of its independence, and that it was essential that the Commission should not be open to the suspicion of partisan direction. The report quotes (p. 22) a statement to the committee by Senator Newlands, who reported the bill, that the tribunal should be of high character and "independent of any department of the Government—a board or commission of dignity, permanence, and ability, independent of executive authority, except in its selection, and independent in character."

The debates in both Houses demonstrate that the prevailing view was that the Commission was not to be "subject to anybody in the Government but—only to the people of the United States"; free from "political domination or control" or the "probability or possibility of such a thing"; to be "separate and apart from any existing department of the Government—not subject to the orders of the President" (*Humphrey's Executor v. U. S.*, 295 U. S.).

Is all this to be changed; is a fundamental policy of government which has worked well for 50 years to be abandoned and one foredoomed to failure substituted in its place? I cannot believe so. [Applause.]

Mr. PLUMLEY. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, 20 years ago next April, the United States entered the World War to make the world safe for democracy and to put an end to all war. The result, of course, has been that both of these motives have become mockeries and travesties. Today the world is filled with rumors of war, and predictions are freely made that there will be another world war within a year. Nations have

gone mad in arming themselves to the teeth throughout Europe.

In considering this Navy bill the question before the House of Representatives is: What is our own policy? I want to commend the chairman of the Navy Appropriations Committee because of the able and clear manner in which he discussed the pending bill, but he did not discuss the policy of the United States. What is our policy? What is our policy toward Great Britain? What is our policy toward Japan? What connection has the naval policy, if there is such a thing, with our foreign policy? After all, we, the Members of Congress, have been invested by the Constitution with the power to provide for and maintain a navy. That is our duty and our responsibility, not that of the President or the Director of the Budget. We cannot escape it. I have read the pending bill and, as far as I can find out in the short time that it has been before us, it is a fair bill and I expect to support it because I believe in adequate national defense. Just what adequate national defense is is an open question as I do not know what the policy of our country is. After hearing the gentleman from North Carolina speak for an hour and a half on the bill itself I still do not know what the American naval policy is.

In this limited time, 15 minutes, it is impossible for me to say what I have in mind regarding the present armament situation. I would like to go back, as Al Smith says, and look at the record. Under a Republican administration in 1921 and 1922 a limitation-of-naval-armament conference was called here in Washington and we reached an agreement with Great Britain, Japan, and other nations to limit capital ships over 10,000 tons on a 5-5-3 basis. I thought at that time that it was the greatest step in the direction of peace since the armistice. Today I am convinced of it. At the time the big-navy men and the militarists attacked Secretary Hughes and said he had sacrificed our Navy, that he had betrayed American interests; but, as a matter of fact, just as soon as that treaty was signed we secured for the first time in all history an equality with Great Britain on the high seas. Great Britain had always maintained the Nelsonian attitude, "Britannia rules the waves", but under the Washington Treaty of 1922 she agreed for the first time to an equality with the United States on 18 battleships and 10 battleships for Japan. Overnight all thought and talk of war between Japan and the United States disappeared. It is naval armament races that create suspicion, distrust, and hatred and eventuate in war.

In 1930, again under a Republican administration, we extended the 5-5-3 treaty to the smaller ships, to the 10,000-tonners and under, to destroyers and submarines, but now, under this administration—and it is the proper time to bring it up, for today is the fourth anniversary of the present administration, it has failed to extend these naval treaties. Whether it has blundered into it—and a blunder is often worse than a crime—it failed to extend these treaties, either the Washington Treaty or the London Treaty of 1930; and, therefore, we are launched into this mad race to build the biggest battleships at the tremendous cost of \$50,000,000 per battleship. And that is not all, because we must have auxiliary ships, light cruisers, submarines, and airplanes to protect each battleship costing another \$50,000,000. For what purpose? Against whom are these battleships aimed? It costs \$5,000,000 annually to even maintain one battleship.

I ask now why does not the President call a conference with Great Britain and Japan, invite them to Washington or elsewhere to get them around a table and see if we cannot head off this mad race to build naval armament. What has this administration done to call the attention of Great Britain to the fact that it still owes us \$4,000,000,000? For 4 years the President has been silent about the war debts. Has any protest been made to the British Government about its proposed huge increase in naval armament of \$7,500,000,000 in the next 5 years? You know the answer; and yet here we are, due to the failure of these conferences under this administration launched on a huge naval program. I cannot make out from this bill, however, what the policy is. Certainly in this bill we do not match the British Navy ship

by ship, and certainly by this particular bill—at least according to Japanese reports—Japan expects to have a navy equal to ours in 3 years. So we have given up the 5-5-3 ratio; we are spending more money; we are getting nowhere and have no definite policy.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield? Mr. FISH. I yield.

Mr. KNUTSON. What, if anything, has this administration done toward bringing about a general disarmament?

Mr. FISH. I may say this about the President: That I admire him because he can get away with murder. [Laughter.] I admire him because he went before the country in the last election and claimed a monopoly on peace and good will in the world. At the same time, by default and mismanagement, my own party, the minority party, that ought to stand for constructive criticism, let him get away with it. So the people back home have not the faintest idea that this administration has fallen down in not extending these treaties to limit naval armaments. They do not even know that this administration is not collecting the war debts. We have been strangely silent on foreign affairs, with the result that the people back home believe what the President has told them, with his honeyed voice, that he has done so much to promote peace in the world when he has actually done very little.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FISH. I would rather not yield in the limited time at my disposal.

The gentleman from Minnesota [Mr. Knutson] asked me if any efforts had been made to call a conference. Speaking as a humble Member of the House, as an American citizen, and as a war veteran, I would like to see the President call a naval limitation-of-armament conference and have the Congress of the United States ask him to do it. Here is an amendment I would like to propose to the pending bill, but, unfortunately, it will be ruled out because it is not germane:

That the President is authorized and requested to invite such governments as he may deem necessary or expedient to send representatives to a conference at Washington or elsewhere to consider the limitation of naval armaments for the purpose of reaching an agreement on a program to limit naval armaments with special reference to the limitation of battleships, battle cruisers, light cruisers, aircraft carriers, destroyers, submarines, and aircraft.

I know and everyone else knows if I offer that amendment it will be ruled out on a point of order; so I do not propose to offer it. I would be glad to have the chairman of the committee on the Democratic side offer it. This is not a partisan issue. The amendment is here, and he may have it.

I would go further, may I say to the gentleman from Minnesota. These conferences, of course, should be separate. A naval conference should be called immediately to be held either here or elsewhere, because Japan and England have already stated—England through Mr. Chamberlain, its Chancellor of the Exchequer, and Japan through the head of its Navy Department—that they are willing to enter into such a conference right now. I could read what these governments have said in the last few days if I had time. I would go further than suggested by the gentleman from Minnesota and call another general conference to implement the Kellogg Pact. We have denounced war as an instrument of national policy, except as a matter of national defense. Why not call a conference to discuss the causes and cure of war and try to head off this mad race, both from a naval and military standpoint, and bring the people of the world to their senses? Let us have them sit around a table like reasonable men. Of course, that should be done. This administration has not done one thing in the last 4 years to lessen the likelihood of war. Still I admit the fact it is just as good politically because the people back home think the administration has, in spite of its dismal record of failures.

Mr. UMSTEAD. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from North Carolina.

Mr. UMSTEAD. Do I understand the gentleman to mean by that language that the people back home are not capable of knowing what is going on in the country?

Mr. FISH. I did not mean that. I have great confidence in the people.

Mr. UMSTEAD. That is what the gentleman said.

Mr. FISH. I know what I said, and I do not change one word of it.

Mr. UMSTEAD. I just want to understand the gentleman.

Mr. FISH. The President and this administration are the greatest propagandists in the world. They claim credit for everything. The President claims credit right now for doing more for peace and good will in the world than any man in it, when as a matter of fact, he has had only one success and dozens of failures. I have not the time to go into all the failures. The only success that the administration and the President has had is in South America where there are no navies and where there is no thought of a world war. If you go over the record, consider the recognition of Soviet Russia, the Economic Conference at London, the war-debt situation, and the naval limitation of armament blunders, you will see that they are all failures.

Mr. PHILLIPS. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. I wonder if the gentleman is not refuting his own argument.

Mr. FISH. Please do not make a speech. Just let me have the question.

Mr. PHILLIPS. The question is this: The gentleman spoke a moment ago about the war debts having been repudiated. Does he think if a person or nation's word is not good in one instance it is good in another instance? What is the use of calling a conference?

Mr. FISH. I said this administration had not done a thing to collect the war debts. Let us see what the British Chancellor of the Exchequer had to say about the finances in Great Britain. He has a good sense of humor. On February 17 he made this statement:

The present British Government could borrow with a clear conscience because it has restored such confidence in British finances that they are the envy of the whole world.

How did they restore their finances? By repudiating a debt of \$4,000,000,000 which it owes the United States of America which this administration has made no effort to collect. [Applause.]

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield 15 minutes to the chairman of the Naval Affairs Committee, the distinguished gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Chairman, I want to take this opportunity to congratulate the gentleman from North Carolina [Mr. UMSTEAD], chairman of the Subcommittee on Naval Appropriations and the other members of his committee on the splendid work they have done in reporting this naval appropriation bill. They are entitled to the thanks of the House, for by searching investigation they have brought about worth-while economies. They have presented a bill some \$35,000,000 under Budget estimates and they clearly justify their position for doing so. I have examined most carefully the numerous items of this bill and have read a great deal of the hearings and the bill shall have my wholehearted support. I again congratulate the distinguished chairman and his subcommittee on their splendid work.

Mr. Chairman, the Navy of the United States at the close of the World War, in ships that had been built and in ships under construction, ranked foremost in potential naval strength among the nations of the world.

It was then that the United States, firmly believing that an example of sacrifice would stay any naval building race in the future, signed the Washington Naval Treaty of 1922, whereby the leading naval powers of the world made a solemn agreement to limit naval construction in the major categories of ships to ratios prescribed by that treaty.

I need not remind anyone that between 1922 and 1929, a period of 7 years, the normal naval building program of the United States was dormant; that during this same period of time other leading powers of the world took advantage of the situation to build up to the limiting ratios prescribed by the treaty.

This country suddenly awoke to find that some immediate steps must be taken if the United States were to maintain any standing as a world power on the sea.

The steps that were taken to rectify this condition at as early a date as was consistent with national economy and the capacities of our neglected shipbuilding facilities are also well known to you in the form of the act of March 27, 1934. That act enunciated the determination of the Congress. It translated a national policy into action.

In addition to establishing the limits of the Navy in categories and in numbers of ships, this act required that the first and each succeeding alternate vessel in each category undertaken be constructed in Government yards.

In order that all Members of the House may be thoroughly conversant with the progress being made toward carrying out the building program, I shall briefly outline for your consideration what has been done since March 4, 1933, in naval construction.

The 1933 program provided for 37 vessels—32 under the National Industrial Recovery Act and 5 under the regular naval appropriation.

The 1934 program provided for 24 vessels.

The 1935 program provided for 24 vessels.

The 1936 program provided for 20 vessels, including 2 battleships, and the bill now under consideration provides for 12 vessels. A total of 117 vessels. This building program was of benefit to every State in the Union and the act of March 27, 1934, is a continuous replacement of ships as they become old and obsolete. Their design and construction embody the latest in shipbuilding, engineering, and ordnance. It is generally considered that these ships compare favorably with similar types built abroad.

To carry out the construction of these vessels there was allocated \$238,000,000 from the National Industrial Recovery Appropriation; \$25,050,333, increase Navy, emergency construction; and \$335,914,334 was carried in regular naval appropriation bills; \$130,000,000, which is in the bill now before the House, making a total up to date of \$728,964,667.

Of these 117 vessels, 35 have been delivered or commissioned, and the remaining 82 are in varying stages of completion, ranging from the appropriation stage to that of being practically completed. It was expected that the new building program—act of March 27, 1934—would bring our Navy up to the strength permitted under the then existing limitation of armament treaties and would be completed by 1942, at which time our Navy, exclusive of battleships, will be made up of modern, up-to-date ships.

This building program provided employment, direct and indirect, to between 120,000 and 180,000 men per annum, affecting approximately 600,000 and 900,000 people from a family support point of view.

That this revival of shipbuilding, together with its attendant benefits, which extend into so many fields of raw materials, industries, and trades, might possibly be short-lived cannot have been contemplated by Congress when, on June 30, 1936, it enacted the public-contracts law, commonly known as the Walsh-Healey Act.

To those who only read the headlines of our daily newspapers it must be evident that this act has been the means of threatening what appeared to be an otherwise favorable prospect. Seldom does a day go by but that a caption arrests our attention with the information that some industry refuses to bid on Navy contracts because of stipulations required in those contracts by the Walsh-Healey Act. Only the other night a cartoon appeared in the Evening Star, Washington, D. C., depicting the Secretary of Labor sitting defiantly on a division of battleships while the Secretary of the Navy and two of his admirals stand pleading, "Gimme my ships!"

By the administration of the Walsh-Healey Act there is being caused a delay in the construction of some 20 ships on account of the lack of being able to obtain steel and other necessary equipment. Eleven of these ships are being delayed on account of the inability to obtain other equipment than steel.

It is impossible that Congress ever intended that one of its laws, or the administration of any of its laws by the head of an executive department, should have the effect of paralyzing the program of national defense.

A review of the hearings on the Walsh-Healey bill before its enactment indicated that "sweatshops" persisted in some branches of industry, that child labor was on the increase, that insanitary and unsafe factories were not uncommon, and that some employers were taking advantage of the recovery in industry to force employees to labor an unreasonable number of hours per week, and not infrequently at wages incompatible with the American standard of living.

Since the N. R. A. has been declared unconstitutional, and it was therefore unlawful to regulate industry by codes, Congress felt that so far as Government business was concerned, at least, this business could be given to those firms which would agree to conform to reasonable standards of employment as regards sanitary working conditions, reasonable hours, and living wages.

The emphasis was always placed upon sweatshops.

It was provided, therefore, in the Walsh-Healey Act that no contract in excess of \$10,000 for any materials, supplies, articles, or equipment should be entered into by any Government agency unless stipulations were agreed to by the contractor that he would conform to reasonable standards of employment as regards sanitary working conditions, reasonable hours, and living wages. Naturally enough the Secretary of Labor was designated to administer the act. It was assumed that the Secretary of Labor would be in a position to know better than any other executive department of the Government sweatshop conditions and what were reasonable wages for a particular industry.

However, obvious difficulties were foreseen by Congress in carrying out such broad provisions as were embodied in the act. Therefore the act contemplated that certain exemptions would be necessary from the stipulations of the act, if in fact the best interests of the Government were to be served. It therefore provided in section 6 thereof as follows:

SEC. 6. Upon a written finding by the head of the contracting agency or department that the inclusion in the proposal or contract of the representations of stipulations set forth in section 1 will seriously impair the conduct of Government business, the Secretary of Labor shall make exceptions in specific cases or otherwise when justice and the public interest will be served thereby.

It appeared to Congress that the act could be administered in such manner as would materially benefit labor and at the same time offer no obstacle to orderly Government procurement.

The act offered better hours, better wages, and sanitary working conditions to the laboring man.

The contractor, knowing the added cost, if any, in performing the contract, could add the additional costs to his bid price.

The Government was assured of being able to fill its needs because there was a provision that if the head of a department certified that the best interests of the Government would be served thereby the Secretary of Labor was, it was assumed, compelled to grant an exemption to the stipulations of the act.

As written there appeared to be nothing which could prevent its functioning.

The act became effective on September 28, 1936. Thereafter attempts were made to transact Government business as usual. In the machine-tool industry, however, the Navy Department soon met obstacles. Manufacturers were taking exception to the stipulations of the Walsh-Healey Act.

After many delays, brought about by attempts of the Navy purchasing officer to procure these tools according to the new law, it was finally determined that a request for an exemption under section 6 of the act should be requested, since manufacturers refused to bid if stipulations of the Walsh-Healey Act were to be included in their contract, and the public interests did demand the immediate procurement of the tools because they were needed at the gun factory to complete naval ordnance for new ships under construction.

I am informed that after correspondence and conferences between the Secretary of Labor and the industry, a compromise was reached which finally permitted a greatly delayed procurement, though no exemption was ever granted by the Secretary of Labor.

A more disturbing situation arose in connection with the procurement of copper. On four different occasions toward the end of the calendar year 1936 the Navy went into the market in an effort to obtain copper needed for the industrial navy yards. On these occasions invitations for bids were widely advertised and in addition sent direct to all prospective bidders on the mailing list for such material.

Upon failure to receive satisfactory bids, the Navy Department addressed letters to some 50 of the prospective bidders in an effort to obtain definite reasons for their failure to bid. Various reasons were advanced, including objections to the provisions of the Walsh-Healey Act.

The Secretary of the Navy made an administrative finding of fact in regard to copper and requested that the exemption provided both by the law and the regulations be granted. The Secretary of Labor has not yet authorized exemption of the copper needed for the industrial navy yards.

The Navy Department has on several occasions been forced to make emergency purchases in order to meet the urgent needs of the yards, which purchases being made without advertising, under the regulations of the Secretary of Labor are exempt from the provisions of the Walsh-Healey Act.

No one can look with favor upon a situation forcing such procedure when Congress has provided a definite method for obtaining exemption.

While the failure of the Secretary of Labor to grant the statutory exemptions provided for places the responsibility for delaying the shipbuilding program on that office, however, this does not remedy a situation which may unnecessarily delay completion of ships urgently needed for the national defense as authorized by the Congress.

A climax was reached, however, in the attempt to procure steel for new construction.

On December 14 and 18 bids were opened for some 25,000,000 pounds of main structural steel for submarines and destroyers. Twenty-four companies responded but conditioned their bids either specifically on executing a contract free from the stipulations of the Walsh-Healey Act or in some other manner qualified their bids so as to have little doubt that these stipulations were the cause of the conditioned bids.

As a result, from the standpoint of the validity of bids alone, disregarding other factors, it would have been possible to make an award for only some 7,000,000 pounds, and this quantity only for certain plates and shapes which were not in sufficient variety to permit any orderly construction progress. The Navy, after canvassing the industry, learned that the stipulations of the Walsh-Healey Act were the insurmountable obstacles.

The problem was laid before the Secretary of Labor with an administrative finding by the Secretary of the Navy, that the inclusion of the stipulations of the Walsh-Healey Act in the contracts for steel would impair the Government interest. Section 6 of the act which I have quoted you, which provides, you will recall, that in cases of such administrative finding by a head of an executive department, the Secretary of Labor shall make exceptions.

These exceptions in the cases of these contracts for steel were requested and for a period of 2 months the impasse has not been overcome, although it is understood there have been letters and conferences between the manufacturer and the office of the Secretary of Labor. No exemptions have been granted.

Jeopardy to the national defense is but one of the grave consequences resultant from a delay in the procurement of structural steel. The construction of ships in any plant contemplates a well-coordinated flow of structural steel, together with organized employment schedules. An interruption in the flow of steel must be attended by a suspension of labor.

Reports from the various navy yards, which include Portsmouth, Boston, New York, Philadelphia, Norfolk,

Charleston, S. C., Mare Island, and Bremerton, indicate that the failure to provide steel has brought or will bring these yards to the point where existing organization will be destroyed and men must be discharged or furloughed unless immediate steps are taken to provide the materials required.

Statistics from these yards indicate that as many as 5,000 men may be affected.

According to the press, there appears to have been a happy solution of the steel question in the agreement between the steel industry and organized labor affecting the 40-hour week with increased wages. It is to be hoped that this agreement will remove the obstacles now existent in the steel situation so that the Navy will be able to obtain the steel required to continue without further delay the construction of its vessels. However, this does not clear up the situation of having the Secretary of Labor to sit in veto over the procurement of all material for the Navy in excess of \$10,000.

Other items of importance which the Navy has failed to obtain due to the Walsh-Healey Act include machine tools for navy yards, twine for the ropewalk, Boston, hydraulic gears for cruiser ordnance equipment, ingot copper, Diesel-driven electric generators for destroyers, refrigerating and air-conditioning machinery for submarines, and electric outlet and feeder boxes for cruisers.

From a consideration of the whole case there appears to be no question but that Congress intended to vest in the head of the contracting executive department the administrative determination as to when the Government business is being impaired. That determination having been made, the act provides that the Secretary of Labor shall make exceptions, when justice or the public interest will be served thereby.

The impasse, for the continuation of the national-defense program is due to the refusal by the Secretary of Labor, over a period of months, to grant an exception to the stipulations of the Walsh-Healey Act, and this refusal is persisted in over the certification of the Secretary of the Navy that the Government business will be impaired unless the exception is granted.

It is submitted that the plain intent of the act is that the responsibility for making the determination as when this impairment is threatened in the case of procurement lies, and should lie, with the Secretary of the Navy.

To allow any other interpretation is to permit a head of department who has no intimate knowledge of the problems of national defense to decide those problems over the head of department under whose cognizance such matters naturally fall. Carried to its logical conclusion, the Secretary of Labor may in any instance prevent procurement of any material if in the judgment of that officer the public interest as seen by that office will be better served otherwise.

It is apparent that the full authority for administering the needs of the Navy in the national defense should be vested in the Secretary of the Navy where the responsibility reposes and where the technical knowledge exists for the correct use of judgment and discretion in these matters. Such responsibility should not be divided with any other Government department or subject to the vagaries of administration of any other department which possesses neither the technical knowledge of the Navy nor the responsibility for the maintenance of that part of the national defense.

If such construction cannot be placed upon the language of the act as was the intention of Congress, the act should then be amended to place these matters solely within the administration of the Secretary of the Navy insofar as Navy business is concerned.

In conclusion, it is pertinent to ask whether the provisions of the act of March 27, 1934, which establishes the program of national defense for the Navy, is to be overridden by the administrative ruling of another head of department in effecting the provisions of the Public Contracts Act, which was primarily designed to overcome sweatshops.

Such was not and cannot have been the intent of Congress. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. ALLEN].

Mr. ALLEN of Pennsylvania. Mr. Chairman, 4 weeks ago when I listened to the President's message on the Supreme Court my feelings were mingled, my reactions uncertain, and the wish which was uppermost in my mind was that I might withdraw from the heat of controversy for a few days to study quietly this momentous problem. I did this very thing. I have studied history and precedent; I have listened to the speeches made in this Chamber, and I have become convinced that the President's plan is the only practical one, and that it should be enacted now while the need for progressive legislation is so imperative.

Stripped of all propaganda, divested of untruths and half truths this issue is in reality one of conflicting principles, and it should be so treated. Unfortunately the tactics which muddled the passage of the Wheeler-Rayburn utilities bill 2 years ago and the election last November are being employed once again. Regardless of everything else, we as United States Congressmen, sworn to represent 130,000,000 American people, must wage this battle over the Supreme Court on the field of truth, principle, and economic necessity.

If we are to consider this problem dispassionately we must eliminate certain charges which have been leveled against the President and his Supreme Court measure. To say that the plan is without precedent is an absolute falsehood. Six times heretofore Presidents have injected new blood into the Supreme Court. Six times in our history Presidents confronted with problems similar to those which Franklin Roosevelt now faces have resorted to this same procedure. Furthermore, those who suggest that the plan is not constitutional are likewise deceiving the people of this country. In its fine system of checks and balances the Constitution of the United States gives Congress the power to increase the number of Supreme Court judges and gives to the President of the United States the power to nominate these judges, and the Senate in turn the power to confirm them. Franklin Roosevelt's proposals are strictly constitutional in every respect, and they neither violate the spirit nor the letter of that document. There is no sound reason for anyone to think that Roosevelt's nominees for the Supreme Court would not be just as good, just as patriotic, and just as efficient as those of Warren G. Harding, for example. Another hysterical warning, which is absolutely without foundation, is that Roosevelt seeks to become a dictator. I submit that a calm perusal of the Constitution itself will convince anyone that no President restricted by that document can ever become a dictator. In the first place, the Chief Executive must appear before the people of this country every 4 years for reelection or rejection; and in the second place, the Congress of the United States, elected by the people every 2 years, holds in its hands the right of impeachment in the event that an Executive abuses his power. You know and I know what the citizens of the United States, reared in liberty and freedom, would do at the polls to any would-be dictator. No President can ever control the Supreme Court. I have already stated that additional members to that body must be approved by Congress and the appointments of the new judges themselves must be confirmed by the Senate. I do not know how many more checks on Executive power a timorous person would want.

Recently, one of our colleagues in this House compared the President's plan to a stacked deck of cards. I take immediate exception to such an outrageous statement as this. A stacked deck denotes cheating and treachery and it is a shameful thing for a Member of this House to make such a charge against the President, who is acting strictly within his constitutional rights, whose motives are honorable, and whose plan is motivated by the deplorable condition of millions of our citizens. [Applause.]

President Roosevelt's greatest predecessors from Jefferson to Jackson, from Jackson to Lincoln, from Lincoln to Theodore Roosevelt, have all had similar difficulties in the relationship between their administrations and the Supreme

Court. The best legal and political minds in our Nation are still at odds over the constitutional rights of the Supreme Court to nullify acts of Congress. The words and acts of Franklin Roosevelt in this respect are pale compared to those of his predecessors. Andrew Jackson stormed over a decision of John Marshall's as follows, "John Marshall has made a decision; now let him enforce it." That was outspoken defiance of a Supreme Court decision and yet Andrew Jackson goes down in history as one of our great patriots, and one of our greatest Presidents. Jefferson lamented that the Constitution had become a mere thing of wax in the hands of the judiciary, which they could form in any way they pleased. Abraham Lincoln, in his first inaugural address, referred to the nullifying power of the Supreme Court as a contradiction of popular government. He said that under such circumstances the people have ceased to be their own rulers, having to that extent practically resigned their Government into the hands of the Supreme Court.

Are we not foolish, however, to spend so much time discussing precedent and history? The problems of today and their relationship to the future of America are our task, and our minds should be focused on them. We must pull today's foot from yesterday's footstep. We must realize that laws are made for the living and not for the dead. It is not the duty of Government and certainly not of this Congress, merely to preserve tradition, but to make laws which will promote the general welfare of this Nation and to protect the rights of the majority of our citizens. It is not necessary for us to derive courage from acts or declarations of past Presidents. That is a contradiction of the spirit of the authors of our Constitution. Those very men were the greatest exponents of political change that the world has ever known. It is inconceivable to believe that they would deny succeeding generations the flexible political privileges which they undertook for themselves.

For four years the Roosevelt administration has endeavored to legislate for the people of America without interfering in any way with the Supreme Court. The present proposal is not an attempt to usurp judicial power, or to sap the independence of the Supreme Court. If that had been Roosevelt's ambition, it would have become apparent months ago. The present proposal is an imperative move to fulfill the promises which this administration has made to 130,000,000 American citizens. It is likewise imperative if the mandate delivered by the people last November is to be carried out.

What was that mandate? My interpretation of it is this: That 6,000,000 farmers who are tottering on the verge of bankruptcy, and were left without hope by the A. A. A. decision, expect us to ameliorate their sufferings. Five hundred thousand coal miners, and I might say many operators, are threatened with the same chaotic conditions which beset their industry in 1932 because of the Guffey coal-bill decision. Over a million railway workers expect us to give them some protection in their advancing years. This hope was dashed to the ground a few years ago because of the Supreme Court's adverse decision on the Railway Retirement Act. Over 15,000,000 industrial and clerical workers of America are at the mercy of their overlords so far as minimum wages and maximum hours are concerned. All this because the N. R. A. was declared unconstitutional. These people likewise expect us to restore to them some degree of protection and security; and last, but far from least, there are 10,000,000 unemployed men and women in America to whom this administration has promised relief, and to whom you and I held out a promise when we were campaigning for election last fall. All of these sufferers believed in us when they gave us their overwhelming support. We have got to do something about it and we must do it now. The present administration for 4 years has endeavored to complete a forward pass to the masses of our people, and many times these passes have been intercepted by the Supreme Court. Where the rights of our citizens are concerned it is proper, it is constitutional, and it is our duty to block the obstructionists. The majority of our people have as much right to representation on the Supreme

Court as they do in this House of Representatives. That is the essence of popular government. Ours is supposed to be a democracy and yet during the past 2 years we have been governed by a judicial oligarchy. Ours has become a government of five men instead of one of laws. The efforts of this administration have the overwhelming confidence of our people and yet they have been repudiated by a judiciary whose actions are restricted by precedent alone.

I strongly believe in a clarifying amendment to the Constitution and so do others who support the President's plan. We believe that the President's proposal is the necessary first step, however, and that the constitutional amendment should be the second step.

Many of those who loudly cry for a constitutional amendment alone, remind me of a little poem which I learned as a boy in school:

"Won't you come into my parlor", said the spider to the fly,
"It's the prettiest little parlor that you ever did spy."

Many of the loudest advocates of a constitutional amendment at this time will oppose such an amendment as soon as it is offered. If the President were to abandon his own plan tomorrow in favor of a constitutional amendment, the most gleeful people in America would be those persons who have succeeded in blocking the child-labor amendment by falsifying the issue. They are fully aware that with the expenditure of millions of dollars, and by unloosening a flood of propaganda, they could delay passage of such an amendment indefinitely. They know that 13 small States, with a total population of only five and one-half million, less than 4 percent of our total population, could block such an amendment. They would concentrate the full force of their opposition in these small States. Their early activities in this controversy clearly denote what their future tactics will be and I for one am not willing to place my bet on the nose of a constitutional amendment as the only solution to our problems.

I am a strong advocate of the Supreme Court and I believe in an independent judiciary, but at the same time I believe more strongly in an independent, vigorous legislative body. I want to see the Supreme Court preserved and I want to see it function under the powers specifically prescribed by our Constitution. The President's proposal will do more to preserve the sanctity of the Supreme Court and the Constitution of the United States than any other movement which I know of at the present time. The Constitution and our institutions are safe only so long as their guaranties to the general welfare of the Nation are vital forces. Our Constitution is in daily danger as long as 10,000,000 independent American men and women roam our streets without gainful employment and as long as other millions are living on bare subsistent wages. Democracy itself is in danger as long as one-third of our population remains ill clothed, ill housed, and ill fed. If we would preserve our cherished institutions, we must return our unemployed to work in private industry; we must give the wage earner a fair share of what he earns; we must preserve the independent farmer at all costs; we must hold out hope and opportunity to the youth of our Nation; and to those of advanced years we must promise security. Then, and then only, will the Constitution of the United States be secure forever in the steel-clad vault of general prosperity and contentment. [Applause.]

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, the coal business is a sick industry. A review of the industry, with all its varying vicissitudes of fortune during the last quarter of a century, shows the necessity for drastic action. The uncertainty of consumption, the high cost of distribution, the decline in industrial activity, the competition of oil and electricity, the high financial hazard, the large percentage of unemployed and resulting misery and hardship, all lead to the inevitable conclusion that the emergency efforts attempted during the past 25 years to afford some temporary relief have accomplished little of lasting benefit and must therefore be discarded as inadequate to meet the demands of this pressing problem.

At the close of the nineteenth century, with the expansion of industry, which marked the change in our history from that of an agricultural to an industrial nation, began the expansion of coal consumption. This expansion of the coal industry was further accelerated by railroad building into new producing fields, until we come to the period of the World War, when an extraordinary and abnormal demand for coal was made upon American coal mines. With increased demand came increased prices, which stimulated further mine development; new coal fields were opened up, and consequently large excess mine capacity and lower prices resulted. The price was further hammered down by improved methods of the use of coal by industry, railroads, and public-utility companies. Furthermore, other fuels entered the field in competition with coal, all of which tended to create an era of deflation and liquidation.

During the boom years between 1923 and 1929, when the country as a whole was experiencing the so-called "Coolidge boom", the bituminous coal-mining industry was suffering a serious setback. During those 6 years the number of commercial bituminous mines in operation was cut from 9,331 to 6,057 and the potential capacity, on the basis of 308 working days per annum, from 970,000,000 to 752,000,000 tons. The number of men employed declined from 705,000 to 503,000.

When we reached the bottom of the depression in 1932, the number of active commercial operations had been cut to 5,427, while the number of men employed in active work had shrunk to 406,000. In 1932, also, the average number of days during which the mines were operated had dropped to 146, while the industry had corporate losses of \$51,167,000. As our country gradually recovered, there was an upswing in the coal industry. In 1933 the number of active commercial operations had risen to 5,500, while the number of men employed had risen to 419,000. Net losses were cut to \$47,439,000.

In 1934 the 35-hour week was adopted and there was also an increase in the demand for coal, so that the number employed rose to 462,000 men.

In the October 1936 edition of *Coal Age* there is an article entitled "Economic Status of the Coal Mining Industry in the Last Quarter Century." I have copied freely from this article. I wish to point out the following excerpt:

During the last quarter of a century, production climbed to 579,000,000 tons in the war year of 1918 and plunged to 310,000,000 tons in the depression year of 1932, the smallest total in any year since 1904. And on the financial side there is the picture of 1,234 companies showing a combined net income of \$632,281,417 for the 5-year period 1917-21, and the industry as a whole reported a total loss of \$204,354,075 in the 5-year period 1929-33.

These figures are, of course, the extremes, but they set forth in a rather dramatic way the economic picture of the coal industry and its many hazards. As this article well says, a résumé of these basic changes all point to one conclusion:

In less than a single generation the soft-coal industry has been transformed from a speculative venture, dependent upon abnormal conditions for large short-term profits, into a business which must rely upon regular movement, low cost, and modern merchandising methods for its future financial success.

The main difficulty with this industry is that there is no yardstick by which anyone can gauge future consumption and adjust production to the demand. From 1870 to 1920 the consumption of coal in the United States doubled every decade. This is no longer true. Coal now fluctuates with industrial activity. A study of the coal industry indicates that consumption is dependent upon the tonnage used by manufacturers, railroads, and public-utility companies, and this consumption is, in turn, affected by other competing fuels and also more efficient methods of utilizing coal.

Oil, natural gas, and water power have taken markets away from coal. Of these, water power has undoubtedly made the heaviest inroads.

Oil, of course, is wholly responsible for the decline in the consumption of coal for bunkering, while both oil and gas have

gained in the public-utility field, water power has been chief beneficiary of recent shifts there.

The Government has entered upon a broad field of expansion in water power as a source of energy and must, therefore, face some of the responsibility for replacing coal as a form of energy.

ATTEMPTED REMEDIES

At different times efforts were made to regulate the coal industry by calling upon the Federal Government for aid. In 1914 coal operators in Illinois and Indiana made such a request, but nothing came of it. The first real determined effort at actual regulation was taken during the war, when the United States Fuel Administration assumed control of prices, distribution, and wages. The latter agency was created during a time of emergency, and lapsed when the war ended. Minor efforts for regulation followed at different times, but not on a great national scale until the passage of the National Industrial Recovery Act. This act attempted to lay down some definite regulations through codes in order that working conditions might be improved and prices adjusted; but when that act was found unconstitutional (May 1935), its effectiveness was, of course, destroyed. The last national effort to aid the industry was the passage of the Guffey-Snyder coal bill, and this act, too, was found unconstitutional—May 1936.

During the war it was necessary to put a stop to extortionate prices, while under the National Industrial Recovery Act it was necessary to raise the price in order to secure higher wages and stabilize the industry.

Unfortunately, the National Industrial Recovery Act did not achieve the great results which were hoped for and expected. This was due partly to defects in the law and partly to defects in the administration of the law. A large majority of the codes were drafted by big business, and labor had little or nothing to say about them. All labor ever got out of the National Industrial Recovery Act was the right to bargain, if and when labor was strong enough to enforce that right. As Jett Lauck points out in his article *Coal Labor Legislation in the Annals of the American Academy of Social Science*, March 1936:

The effectiveness of the National Industrial Recovery Act was finally destroyed by the attitude and procedure of its administration as to code authorities. The grotesque ruling was made that "industrial self-government" meant the control of industry by the management of industry. Labor and consumer were debarred from any actual participation.

Grafters, chiselers, and musclers-in, placing their own greed and selfishness ahead of their country's welfare, defeated the wishes of the President and helped to break down this well-intentioned measure. They were the industrial slackers at the time of their country's distress.

During this time the coal industry was worse off than before. Coal producers, jealous and envious of each other, failed to get together, and the United Mine Workers, for all practical purposes, had no assertive rights in the preparation of their codes. The situation in the bituminous-coal industry grew gradually worse; and the producers being unable to come together on a satisfactory basis, Congress sought to remedy the coal-trade evils by legislation, and the Guffey-Snyder bill was the result.

The main feature of this bill was the levying of a tax on the consumer of coal, the proceeds of such tax to be paid the miners in increase of wages and to help stabilize the industry. The inherent defect in such a system is the shifting of a burden from the shoulders of one class of unfortunates to the shoulders of another class equally unfortunate, namely, the consumer. In my State of Wisconsin the temperature sometimes falls to 40° below zero. Sometimes there is zero weather for several consecutive weeks. Under such conditions, fuel is an absolute necessity. To raise its price to those who now can buy only a basketful of coal at a time is not and cannot be a solution of our problem.

In my home city of Madison, Wis., the following prices went into effect February 1, 1937: These increases in price range from 20 to 95 cents a ton under United States grades.

Pocahontas and coke are now priced at \$11.40 per ton. One of the local dealers in accounting for the raise said:

The price of Pocahontas at the mines is now at least \$1.40 a ton more than it was in August.

Egg and nut sizes of coal are now \$15.20 a ton, \$13.30 to \$14.25 on pea coal, and from \$11 to \$11.65 on stoker buckwheat coal. If a family must use 10 to 12 tons of coal each year, one can readily see what a tremendous burden this is upon a wage earner of moderate income.

Let it be thoroughly understood that I am fully in accord with John L. Lewis, president of the United Mine Workers of America, when he said, in 1922, in testifying before the Bland committee of the House of Representatives:

Some national authority over the coal industry is necessary, call it what you may.

There are some groups in the coal industry which are opposed to Government regulation. One group believes in unrestricted competition without any interference of any kind. Another believes that the industry can and ought to regulate itself by forming an association. However, experience has demonstrated that neither of these positions is tenable, as neither group has as yet eradicated the enormous waste from the coal industry. This waste consists not only of millions upon millions of tons of coal itself but also consists in the starvation, misery, and despair of unemployment and all the human wreckage that results from such a condition.

PERMANENT REMEDY

I appreciate that the new Guffey coal bill is a temporary, emergency measure, but I have come to realize that temporary measures have a way of becoming permanent, and in so doing merely increase the cost of living without solving the problem. I want to increase the miners' pay and at the same time reduce the cost to the consumer. This can be done only by taking private profits out of coal, and the best way to do that is to nationalize the coal industry. I appreciate that such a task is not a simple one, nor can it be done overnight, but it can and should be done, and the time to begin is now. We may temporize, we may procrastinate, we may by crafty evasion and devious circumlocution refuse to face the test, but I firmly believe that it can be done, that it should be done, and that we should have the courage to undertake it.

Nationalizing the coal mines will come because the American people will demand it. The case rests on a solid basis of facts. The enormous wastes—economic wastes and human wastes—resulting from private ownership have led to a situation of unrest and chaos from which there is no escape and no relief except in public ownership and democratic management. Economic forces and the instincts of the American people are creating an irresistible sentiment for nationalization.

The material herewith submitted is taken from a pamphlet entitled "How to Run Coal", issued by the nationalization research committee, United Mine Workers of America, in 1922.

The present private control of coal is doomed. Why? Because the coal industry has been so disorganized and mismanaged that the situation in recent years has approached what big-business men and stand-pat senators describe as a catastrophe. Intelligent men, with the welfare of the industry at heart, agree that the "game is up"—the old game of speculative profits, overproduction, shortages, sky-high prices, unemployment, gunmen, spies, the murder of miners, a sullen, desperate public. Unless unification and order enter the industry there will be a blow-up somewhere, followed by drastic, angry, and frenzied legislation. The American kingdom of coal is today in as chaotic and explosive a condition as the states of Europe.

The only large-scale proposal has come from the United Mine Workers of America in their demand for nationalization. It is the only proposal that grapples with slack work for the miners, high prices, and irregular supply for the consumer.

Under public ownership and democratic administration the coal industry will find out how much coal the people want, how much of a supply is already in stock, what is the cost of mining coal, how much pay a miner gets, and what the correct price is for a ton of coal. These are simple, easy, fundamental, and essential facts in running an industry. But not one of these elementary facts is known today. A permanent fact-finding agency will be one of the instruments of control.

But any plan of nationalization must also include ownership by the public. Ownership of the mines by the miners alone would be as unjust and as disastrous as ownership by the coal operators has proved itself to be. The public must give the final decision on the large issues of the industry. But it is always ownership that gives this power of decision. So the public must own the mines.

THE COST OF IT

The cost of this plan is practically nothing. It merely calls for an exchange of securities.

According to the study of the Federal Trade Commission—1922—there is an investment somewhere between a billion and a half and two billion dollars in the soft-coal industry.

The value at the mine of the coal for a single year was over a billion and a half dollars in the year 1920. To own the soft-coal industry will take a little more than the selling price of coal f. o. b. mine for a single year.

The capital investment of the anthracite operators is given as \$432,000,000 by the census of 1919. This is, of course, a very rough figure.

There remains the value of the coal beds—the coal in the ground as distinct from the mining plant. Insofar as coal-mining companies have invested money in coal-bearing lands more than sufficient for their present needs and which they are holding for future use, the figure of \$2,000,000,000 for bituminous and \$432,000,000 for anthracite—given above—includes some of the value of the coal beds.

We estimate the value of established expectations in coal as approximately \$2,000,000,000.

So we have—all figures approximate:

Bituminous operators' investment	\$2,000,000,000
Anthracite operators' investment	500,000,000
Present value at compound interest of the royalty payments which might be expected from the future production of coal	2,000,000,000
	<hr/> 4,500,000,000

From the statement by the anthracite representatives of the United Mine Workers of America to the United States Coal Commission on Anthracite Accounting and Finance in 1923, we learn that to retire all claims in the anthracite industry would cost just over a billion dollars—\$1,024,280,000. If the total production for the next 50 years is 4,750,000,000 tons, the average would run somewhat higher in the first 27 years, when the old bonds were being eliminated, and somewhat lower thereafter. It is to be remembered that this billion dollars represents both principal and interest. The cash-down purchase price today on the basis of the above illustrative figures would be \$400,000,000.

Now, if this illustrative estimate is anywhere within the margin of the facts, it leads to a startling conclusion. The cost per ton of such a refunding plan is about one-third of the claims of investors in 1920 and about one-fifth of what they estimated those claims were in 1923.

The average charges during 1918, 1919, and 1920 were, roughly:

	Cents per ton
Depletion	10
Interest	7
Profits	52
Total	<hr/> 78

Subtracting the average cost per ton as given above at 28 cents from the average charge of 78 cents per ton leaves a saving of 50 cents per ton at the mine, which is practically doubled or trebled when it gets to the consumer.

In 1923 they estimated the total claims of capital at \$1.40 a ton, or just five times 28 cents.

It would appear, then, from such preliminary and illustrative figures that the public interest would stand to gain from 50 cents to \$1 per ton at the pit mouth for every ton mined during the next 50 years, if the outstanding claims of investors could be retired on some such basis as is here outlined. This might mean two or three times this sum in retail prices because of the method of price increase customary in distribution at present.

THE LAW

I do not claim any originality whatever for the plan herewith submitted in the bill entitled H. R. 5138. The measure that I am advocating follows closely the plan outlined in the Wheeler bill for the nationalization of the railroads in the United States.

Title I

Creates the United States Coal Administration to take over the properties of the coal industry in the United States. Managed by a board of trustees of five members appointed by the President. These trustees shall incorporate as a Government agency.

Stock

The Coal Administration shall have common stock of \$100,000,000 par value, which shall be subscribed for by the Secretary of the Treasury.

Powers

The Coal Administration shall have all ordinary powers of corporations and in addition thereto, the right of eminent domain so as to acquire property and facilities of any coal mine and coal property or any other property incidental thereto.

Issue Securities

The Coal Administration is empowered to issue and to fix the terms and conditions of debentures, income bonds, or preferred stock with which to acquire coal properties and properties incidental thereto, or securities of such properties. Such securities shall be guaranteed as to principal and interest by the United States.

Subsidiaries

The Coal Administration is empowered to create subsidiary corporations which shall have powers within the terms of this act.

Acquisition

A Coal Administration acquisition tribunal of three members appointed by the President is set up to acquire all coal property. For such purpose it may hire accountants, appraisers, and so forth, hold hearings, subpoena witnesses, administer oaths, take testimony, examine witnesses, require the production of books, papers, and so forth, relative to the inquiry.

Title II

United States Coal Administration is authorized to acquire the possession, use, control, and ownership of properties used in the coal industry, for which compensation shall be paid. Such compensation may be made in debentures of the Coal Administration. Full provision is made for acquiring properties of companies that are unwilling to sell. Full hearings are provided for. Securities of the Coal Administration may be exchanged for securities of coal properties.

Penalties

Last few sections deal with penalties for failure to comply with the law.

Outstanding Features

The administration is vested in a board of trustees, consisting of five members. Such trustees shall be truly representative of the following: First, miners; second, managerial and technical staff; third, owners; fourth, consumers; and fifth, financial skill.

Guaranty of Principal and Interest by the United States

The net profits shall go toward the (1) reduction in the price of coal; (2) increase in wages of employees; (3) payment of indebtedness; and (4) dividends on common stock owned by the United States.

CONCLUSION

After a full hearing and discussion has been held on this measure it might be deemed advisable to have a board of trustees consist of seven members instead of five. I have no objection, but I favor the membership as outlined above with a representation as outlined above.

I feel that we must take drastic action to relieve the unhappy situation of the coal miners in the United States. Government ownership ought to, and I am satisfied will, free the coal miners and their families from the peonage of lives regimented in food, clothing, and shelter; in short, regimented from the cradle to the grave. With no hope for the future either for themselves or for their children, Government ownership, looking to their welfare, should give the promise of the dawn of a new day. [Applause.]

Mr. DITTER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. WOODRUFF].

RECIPROCAL TRADE AGREEMENT ACT—SOFTENING THE MINDS OF THE PEOPLES OF THE WORLD

Mr. WOODRUFF. Mr. Chairman, the Reciprocal Trade Agreement Act has been extended for another 3 years, and I take this opportunity to comment briefly upon the results already attained, and to comment at some length upon our past and present relations with a number of the countries with which the Secretary of State either has already concluded, or hopes to conclude, trade agreements. I shall also consider the possibilities of realizing "the larger purposes involved" to which the Secretary so often refers, and which he hopes to bring to realization through his administration of the act.

Mr. Chairman, utter indifference to our rapidly diminishing trade balance was the most significant fact apparent throughout the hearings before the Ways and Means Committee on the resolution to extend for 3 years the Reciprocal Trade Agreement Act. That indifference was not only exhibited by Secretary of State Hull and his assistant, Mr. Sayre; they insisted in their testimony that favorable trade balances for this Nation were insignificant as compared to the achievement of a "softening of the minds of the world toward peace." I do not share their indifference. No matter what pertinent economic question was asked of the Secretary, his reply invariably was that it was "not relevant to the larger purposes involved", which, he said, was world peace.

The Secretary, in presenting his views to the committee, constantly stressed the great contribution to world peace which, in his opinion, had been achieved through his administration of the act. He stated that through the benefits extended under the act to foreign nations, there had been this "softening of the minds" of the peoples of the world in their international relations, and indicated that a more peaceful atmosphere now exists.

The whole theme of his argument was that through lowering our tariff barriers, and thus throwing our markets open to foreign producers, and allowing them to sell their products in this country in competition with American farmers and American manufacturers, we can bring about a "softening of the minds" toward us. Let us examine the facts.

Such an argument is utterly refuted by our experiences during and following the years 1917 to 1919, when we attempted to achieve and preserve more peaceful conditions in the world by contributing the lives and health of nearly half a million American boys, and by spending and lending more than \$40,000,000,000 of the American taxpayers' money in an effort to "soften the minds" of the world.

The figures and facts involved in our efforts in those years are pathetic and appalling, and cause to shrink into insignificance any contention of the Secretary of State that reciprocal-trade agreements will accomplish what we failed to accomplish by our monumental sacrifices of those days.

Mr. Chairman, there were 39,362 American boys killed in action. There were 14,009 died of wounds received in action. There were 192,361 others wounded in action. That was an appalling contribution by us, futile though it was, toward the "softening of the minds" of the world.

There were 76,757 who died of disease, accident, and other causes during their service in the war. That was still another appalling American contribution to the peace of the world.

More than 100,000 veterans with service-connected disabilities have died since the war, many of them the victims of their service. There are today 336,236 World War veterans receiving compensation for service-connected disabilities. These constitute a continuing contribution by us to the peace of the world.

Our expenditures and loans on behalf of our allies during that period reached more than \$40,000,000,000. How can any individual for a moment assert that if these stupendous sacrifices which we then made, and which we are still making, and will continue to make in the years to come, have not "softened the minds" of the world toward peace, that to give away our markets, to make a gesture as weak as reciprocal-trade agreements, would accomplish this most desirable result?

The human misery, the agony of human hearts, the grief that was poured into that war, and has been caused since, is utterly beyond human computation or human comprehension; yet, in spite of all that, the world continues to arm at a pace at which it never armed before, getting ready for war.

A "softening of the minds" toward peace is not to be achieved by our giving them our markets. The effort of the war-making and other nations today is to take from the United States of America every dollar in money or trade, in loans or commerce, they can possibly wring from us. And if and when another world war shall come, Mr. Chairman, no effort on the part of the warring nations will be spared to inveigle or drag us into the hellish maelstrom.

It goes beyond all human reason, I say, it is utterly at variance with every fact and of all logic to assume that to turn our American markets over to foreign competitors and to deprive our own people of employment in order to purchase by that move some "softening of the minds of the world toward peace" when these sacrifices, this immeasurable treasure of human life and human health and human happiness, and this incomprehensible wealth of gold failed to achieve that objective.

And, be it remembered, these sacrifices were offered, our treasure was poured out, while we asked not one foot of territory and not one single trade advantage in return therefor. The stupendous contribution by the United States to the cause of peace was made entirely without any consideration other than the cause of peace.

That is why many of us felt grave alarm as we sat through the hearings on the Ways and Means Committee and witnessed the complacent, unconcerned attitude of the Secretary of State and his aides, who, with their eyes fixed on this vision of "softening the minds of the world toward

peace", seemed prepared to give away the last market in America, regardless of its effects upon our own people.

This vision of "softening the mind of the world for peace" is a beautiful dream. The arguments are soothing in this day of a troubled planet. Wishful thinking is easy under such circumstances, and where wishful thinking enters, logic departs.

I find no quarrel with the Secretary of State because of his visions of peace. I would that such a vision might be made true. But the course of troubled Europe has been has seemed again to come upon mankind, and not to insuch as to compel every thinking man in this country to return to logic, and to try to think through the fever that dulse in idle dreams. The idleness of these dreams is fully demonstrated by the utter failure of the sacrifices we have made heretofore. By those sacrifices we have achieved not one single thing except to expose us to the ambitions, the greeds, the avarice, the hatreds, and the envies of the other nations that today are preparing for red war.

The act has been in effect approximately 2 years. Everybody knows that during this period misunderstandings, suspicion, and antagonism between nations have increased in intensity almost day by day. The newspapers are filled with rumors of war. The whole world is alarmed for fear that another world madness is upon us.

Not even during the days just preceding the last one did war seem as imminent as it does today. Another such war, the horrors of which will cause those of that other one to pale into insignificance, will destroy this civilization. And yet most of those European nations with which the Secretary of State is seeking to engage in these trade agreements, are feverishly preparing for war, spending sums of money so huge as to stagger the imagination, money that should, in part at least, be paid to us who are their creditors.

In this connection it is important and disillusioning to ponder the present status of the so-called war debts, and consider them and their relation to this whole subject. It is enlightening but disheartening to observe that the nations which today are creating through their warlike activities consternation in the hearts of lovers of world peace, and who are spending billions upon billions for war purposes, are among those who have so far forgotten the dictates of plain, common honesty and fair dealing as to repudiate their debts to us.

Mr. Chairman, I ask unanimous consent to print as part of my remarks statements showing total indebtedness of foreign governments to the United States as of January 15, 1937, as follows:

Statement showing principal of debt as funded, interest funded under agreements, and amount to be received over funding period on account of principal and interest

Country	Principal of debt as funded	Interest funded under debt agreements	Total principal payable	Interest payable over funding period exclusive of amount funded (see column 2)	Total amount (principal and interest) to be received over funding period
Austria.....	\$24,614,885		\$24,614,885.00		\$24,614,885.00
Belgium.....	417,780,000		417,780,000.00	\$310,050,500.00	727,830,500.00
Czechoslovakia.....	115,000,000	¹ \$70,071,023.07	185,071,023.07	127,740,410.81	312,811,433.88
Estonia.....	13,830,000	2,636,012.87	16,466,012.87	21,241,632.89	37,707,645.76
Finland.....	9,000,000		9,000,000.00	12,695,055.00	21,695,055.00
France.....	4,025,000,000		4,025,000,000.00	2,822,674,104.17	6,847,674,104.17
Great Britain.....	4,600,000,000		4,600,000,000.00	6,505,965,000.00	11,105,965,000.00
Greece.....	30,292,000	2,205,000.00	32,497,000.00	5,623,760.00	38,120,760.00
Hungary.....	1,939,000	43,555.50	1,982,555.50	2,771,875.92	4,754,431.42
Italy.....	2,042,000,000		2,042,000,000.00	365,677,500.00	2,407,677,500.00
Latvia.....	5,775,000	1,113,664.20	6,888,664.20	8,901,858.93	15,790,523.13
Lithuania.....	6,030,000	402,465.00	6,432,465.00	8,637,076.57	15,069,541.57
Poland.....	178,560,000	28,784,297.37	207,344,297.37	274,330,483.92	481,674,781.29
Rumania.....	44,590,000	¹ 21,970,560.43	66,560,560.43	55,945,699.62	122,506,260.05
Yugoslavia.....	62,850,000		62,850,000.00	32,327,635.00	95,177,635.00
Total.....	11,577,260,885	127,226,578.44	11,704,487,463.44	² 10,554,582,592.83	² 22,259,070,056.27

¹ Represents difference between funded principal and total face amount of bonds delivered or to be delivered under the funding agreements, which difference arises through permitting the governments to fund a part of the interest accruing over the periods specified in the agreements (Czechoslovakia, first 18 years; Rumania, first 14 years).

² Exclusive of \$53,870,533.27 interest on payments postponed during the fiscal year 1932 under moratorium agreements (see p. 42); exclusive of interest on principal amounts postponed in accordance with terms of funding agreements in certain instances (see p. 30), and exclusive of interest on principal amounts not paid when due (see p. 38).

Statement showing total indebtedness of foreign governments to the United States, Jan. 15, 1937

Country	Total indebtedness	Principal unpaid ¹	Interest postponed and payable under moratorium agreements	Interest accrued and unpaid under funding and moratorium agreements
Funded debts:				
Austria	\$23,976,680.13	\$23,752,217.00		\$224,463.13
Belgium	432,042,469.28	400,680,000.00	\$3,750,000.00	27,612,469.28
Czechoslovakia	165,576,380.33	165,241,108.90		335,271.43
Estonia	19,560,959.03	16,466,012.87	492,360.19	2,602,585.97
Finland	8,448,982.69	8,272,685.68		
France	4,081,227,249.62	3,863,650,000.00	38,636,500.00	178,940,749.62
Great Britain	5,107,446,980.97	4,368,000,000.00	131,520,000.00	607,926,980.97
Greece	33,402,848.34	31,516,000.00	449,080.00	1,437,768.34
Hungary	2,257,825.74	1,908,560.00	57,072.75	292,192.99
Italy	2,017,013,118.74	2,004,900,000.00	2,506,125.00	9,606,993.74
Latvia	8,054,808.40	6,879,454.20	205,989.96	969,354.24
Lithuania	7,207,793.02	6,197,682.00	185,930.46	824,180.56
Poland	244,789,002.29	206,057,000.00	6,161,835.00	32,570,167.29
Rumania	63,949,966.15	63,860,560.43		89,405.72
Yugoslavia ²	61,625,000.00	61,625,000.00		
Total	12,276,580,064.73	11,229,006,291.08	184,141,190.37	863,432,583.28
Unfunded debts:				
Armenia	22,107,404.13	11,959,917.49		10,147,486.64
Nicaragua	469,001.84	289,898.78		179,103.06
Russia	366,112,049.91	192,601,297.37		173,510,752.54
Total	388,688,455.88	204,851,113.64		183,837,242.24
Grand total	12,665,268,520.61	11,433,857,404.72	184,141,190.37	1,047,269,825.52

¹ Includes principal postponed under moratorium agreements (p. 42) and principal amounts not paid according to contract terms (p. 34).² This Government has not accepted the provisions of the moratorium.

NOTE: Indebtedness of Germany to the United States not shown in above statement, but discussed on pp. 43 and following.

Indebtedness of Germany to the United States, Jan. 15, 1937

AMOUNT OF INDEBTEDNESS

[In reichsmarks; reichsmarks on Mar. 2, 1937, were worth 40.2258 cents]

	Indebtedness as funded	Total indebtedness as of Jan. 15, 1937	Principal	Interest accrued and unpaid ¹
Army costs	1,048,100,000	1,006,208,896.15	997,500,000	8,718,896.14
Mixed claims	2,121,600,000	2,062,440,000.00	2,040,000,000	22,440,000.00
Total	3,169,700,000	3,068,648,896.15	3,037,500,000	31,158,896.14

PAYMENTS RECEIVED

	Total payments received as of Jan. 15, 1937	Payments of principal	Payments of interest
Army costs	51,456,406.25	50,600,000.00	856,406.25
Mixed claims	87,210,000.00	81,600,000.00	5,610,000.00
Total	138,666,406.25	132,200,000.00	6,466,406.25
Amounts received (in dollars)	33,587,809.69	31,539,595.84	2,048,213.85

AMOUNTS NOT PAID ACCORDING TO CONTRACT TERMS, JAN. 15, 1937

Date due	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
Sept. 30, 1933		2,498,562.50	1,529,049.45	\$4,027,611.95
Mar. 31, 1934	122,400,000		1,529,049.45	123,929,049.45
Sept. 30, 1934	20,400,000	3,855,687.50	1,529,049.45	25,784,736.95
Mar. 31, 1935	82,900,000	4,534,250.00	1,529,049.45	88,963,299.45
Sept. 30, 1935	29,700,000	5,212,812.50	1,529,049.45	36,441,861.95
Mar. 31, 1936	29,700,000	5,891,375.00	1,529,049.45	37,120,424.45
Sept. 30, 1936	29,700,000	6,569,937.50	1,529,049.45	37,798,986.95
Total	314,800,000	28,562,625.00	10,703,346.15	334,065,971.15

¹ Includes interest accrued under unpaid moratorium agreement annuities.² Includes \$4,027,611.95 reichsmarks deposited by German Government in the Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

GREAT BRITAIN

Mr. Chairman, it was officially announced recently that the British Government is to spend for war materials and supplies during the next 5 years the enormous sum of seven and one-half billions of dollars. An examination of the table above discloses the fact that His Majesty's Government now owes us the sum of \$5,107,000,000. Of this amount \$739,446,980.97 in principal and interest is past due.

Their total debt to us constitutes approximately two-thirds the sum they propose to spend within the next 5 years for their Navy and other war equipment—and yet they would have us believe they are financially unable to pay us, their saviors, the comparatively modest annual sum they formerly agreed to pay.

This current British indebtedness has been accumulating since that nation, together with all other debtor countries except Finland—great in honor, though small in size—bluntly informed us that they were “unable to pay.”

It must be clear, even to those who wilfully close their eyes to facts not fitting their theories and purposes, that if our British and other debtor friends had cared to deal with us frankly they would have said, “We do not wish to pay; we will not pay.”

An individual who can, but will not, pay his honest debt is utterly unworthy the respect of anyone. A nation which does so is contemptible, particularly when the money it borrowed was used to preserve its national life, loaned it when its very national existence depended upon its ability to borrow.

The more than thirteen billions England and the other nations owe us equals exactly that portion of our national debt. The American people are now paying the interest and must eventually pay the principal of these foreign debts, unless our debtors repay us, which, of course, they do not propose to do. Our national debt is now, in round figures, \$35,000,000,000. Approximately 40 percent of this amount is represented by the moneys our ungrateful debtors owe us. These loans must be reckoned among those things we have contributed to bring about a “softening of the minds of the peoples of the world to preserve peace.”

When we extended these loans to foreign governments we did not have the money in the Treasury; we had to find it elsewhere. There was only one way in which we could get it, and that was to borrow it from our own citizens, which we did. We secured them with good, honest United States Government bonds. We have since been taxing all our people to redeem these obligations, which have been, or will be, paid in full. Thank God, this Nation is not one which repudiates its honest debts.

Quite recently Walter Runciman, president of the British Board of Trade, was in this country allegedly with a view of increasing trade between his country and ours. The position he occupies is semiofficial. It is understood that the gentleman left these shores without reaching an agreement. It is doubtful if an agreement can be reached unless we grant tariff concessions far beyond anything they have been

hoping for. My reasons for so thinking were cited by the gentleman from Minnesota [Mr. Knutson] when discussing this subject in general debate on the resolution in the Committee of the Whole, when he quoted from an editorial in the recent edition of the London Economist, which stated:

It is fully possible * * * that Great Britain has already gained more from the concessions made by the United States in her treaties with other countries than could be obtained in a direct Anglo-American treaty.

We have no trade agreement with Great Britain. The opinion of the editor of the London Economist is no doubt based upon the fact that our exports to that country for the first 11 months of 1936 increased but 2 percent over the corresponding period of the previous year, while our imports from that country during the same period increased 24 percent. Unless we make them a concession, which the welfare of our farmers and workers absolutely forbids, it is my opinion that no trade agreement will be reached with Great Britain.

Her public officials are not blind to the fact that by exercising patience, and waiting until we have entered into more and more agreements with other countries, reducing tariffs on more and more of the products she wishes to sell in this market, she will in the probable near future secure for herself all and more concessions than she could hope to secure, even if she were to enter into a trade agreement with us. In this way she avoids giving us any concession whatsoever in return for the markets we present to her.

Do not forget that every single item heretofore kept out of this market by our tariff wall, and which she is now selling in this country, or which she may sell as a result of future agreements, is sold in competition with, and usually below the price of, American products produced by American labor either in the factory or on the farm.

Practically all products not in competition with American factory or farm are on the free list and can be brought into this market without limit and without the payment to this Government of one red cent. That this is no small concession in itself is realized when it is known that during the years 1922 to 1936, inclusive, the foreign producers brought into this market and sold products to the value of \$28,868,449,000, paying nothing for the privilege.

Our free list for imports is longer than that of any other country in the world. This in itself should be recognized as a genuine contribution to the "softening of the minds" of the world, provided, of course, the Secretary of State is justified in assuming the correctness of the theories he expounds.

FRANCE

France now owes us the total sum of \$4,081,227,249.62. Of this amount \$178,940,749.62 is past due, and has been accumulating since the time when all the debtor nations—always excepting little Finland—by common consent and agreement declared to us they could not pay.

Inasmuch as France is one of the 75 nations which receives all the concessions incorporated in reciprocal-trade agreements entered into by us with other countries, we ought at least to be interested to learn how rapidly she is experiencing a "softening of the mind" toward us and toward her European neighbors, and whether or not she is acting with that scrupulous regard for her honest obligations which we have a right to expect.

I know the Members of the House will pardon me if at this point in my remarks I indulge in a few reminiscences in connection with my experience in France in May 1917, just after this country had declared war on Germany, and when we had announced our intention of spending our last resource, if necessary, to insure victory for our allies.

When I disembarked at Bordeaux I beheld the greatest array of flags I had ever seen anywhere on any occasion. They were displayed on buildings, on lamp posts, everywhere. I discovered that these flags were almost exclusively French and American. An occasional English flag could be seen, yes; but the event the French people were celebrating was our declaration of war against their enemy.

I was in France for several weeks, and my mission there brought me in contact with a number of men high in the

councils of the Government. They were exceedingly frank in those days, and they did not hesitate to tell just what our action meant to them. One gentleman summed up their collective opinion when he said to me, "You perhaps cannot account for the consuming enthusiasm which has seized upon our people unless you realize that when your country entered the war we were bled white. We were defeated. It is only the knowledge that you are coming that gives us the courage to hold on until you arrive." In other words, they believed then that without our help France could not have hoped for victory. They were exceedingly grateful to us. They lost no opportunity in those days of showing their gratitude. But, Mr. Chairman, they were in danger then. How do they react today? What is their attitude toward us as indicated by their actions in the past few years?

Because we have dared to suggest to them that they return to us the money we loaned to them, money not only for the purpose of carrying on their war activities but also money for the economic rehabilitation of their war-weary and war-torn country; because we have dared to suggest to them that their citizens be taxed instead of ours to repay this money, we are now reviled and looked upon as a nation of Shylocks.

And what have they been doing, Mr. Chairman, since the day they declined to make further payments on their debt to us? They have been spending more and more each year preparing for war. A small part of the money they are spending each year for this purpose would meet their pledged payments to us, and we would have some assurance that the French people, in whose interest this money was spent, and not the American people, are going to be taxed eventually to discharge this obligation.

What evidence, Mr. Chairman, have we that the French nation is experiencing this "softening of the mind" that the Secretary of State seems to believe is permeating the collective consciousness of the world as a result of this reciprocal trade agreement program? Is there less suspicion, less envy, less fear between France and her European neighbors? Is there less of intrigue, less pitting of interests of one nation against those of others to bring about a condition satisfactory to the French? I know of no such evidence.

I do know, Mr. Chairman, that there has been no time in history when world peace was so seriously endangered as now, and that the activities of those nations that suffered most from the World War, one of which is France, are contributing much to the present unsettled condition of the world.

ITALY

Italy, Mr. Chairman, is another nation that should by reason of her experience with us have a broad spirit of brotherly love. Her debt to us, measured in American dollars, is \$2,017,900,000. She also has found it inconvenient to pay, notwithstanding the preferred treatment she received over all other debtor nations at the time the debts were refunded.

In this connection I will say that reductions in the foreign debts were made by reducing the interest charge rather than the principal of the loan. An examination of the rates granted the various nations shows that Great Britain, Finland, Hungary, Poland, Esthonia, Latvia, Lithuania, Czechoslovakia, and Rumania all pay 3.3 percent, while Belgium pays 1.8 percent, France 1.6 percent, Yugoslavia 1 percent, and Italy four-tenths of 1 percent.

It was recognized, by unbiased persons at least, that the provisions of the Versailles Treaty were such as inevitably to lead to future wars; that instead of making the world "safe for democracy" and insuring peace, the effect would be the reverse. Had the leadership and the splendid example of the American people, speaking through Woodrow Wilson, been followed by the representatives of other nations at that conference, the history of the world would have been changed. Notwithstanding our great sacrifices of life, of health, of money, we asked for not one dollar in indemnity, for not one foot of additional territory.

President Wilson was there as the spokesman for all the people of these United States. His was the opportunity to demonstrate to the world once and for all that we could and would settle our differences with nations on a basis of unselfishness, on a basis of live and let live, on a basis of mutual

understanding and respect for the rights of others, a basis, I will say, foreign to the code of every other nation represented at the conference.

In all history this was the greatest contribution by a people ever presented by ruler or potentate to the "softening of the minds" of the peoples of the world, and yet the seeds we sowed there were sowed on barren ground. That they bore no fruit was demonstrated at the time, has been since, and is now being demonstrated by the aggressions of Italy in Ethiopia and elsewhere, and by many other nations in their relations with their neighbors.

Can we believe that Italy, under the despotism of Mussolini, is undergoing a "softening of the mind", when we ponder Italy's course in Ethiopia? When we remember the 2,000 citizens of that stricken country that were summarily hunted down a few days ago and butchered because they were suspected of striking a blow in defense of their liberty? Who believes Mussolini's mind is filled with thoughts of light and love?

RUSSIA

Mr. Chairman, the Government of Soviet Russia has been "recognized" officially by the Government of the United States. The people of that country owe the people of this country in the aggregate the sum of \$366,688,455.88. Regardless of the fact that this money was borrowed during a previous régime, the fact remains that it was borrowed from the citizens of this country and used for the benefit of the citizens of Russia.

Payment of this debt constitutes a sacred obligation upon the existing Government, regardless of its character. Did our responsible authorities, before officially "recognizing" that country, secure from it a bona-fide commitment that Russia would pay this honest debt? I have no assurances that such commitment was secured. At all events, the fact is the debt has not been paid and there is no indication at this time that the debt ever will be paid.

"Recognition" placed Russia upon exactly the same basis with us as any other country in the world, and we find ourselves now, under the Trade Agreement Act, extending to her all the tariff and import concessions we extend to any or all other nations in the world. We do this whether she pays her debt to us or whether she does not. We do this whether she enters into a trade agreement with us, giving us trade advantages in return, or whether she does not.

Russia today boasts the greatest organized military establishment on the planet. This is her gesture toward "softening the minds of the world" toward peace.

JAPAN

Japan, while she undersells our own manufacturers in our own country, while she brazenly buys—and blandly denies—military information from a former officer of the United States Navy, shares in all the benefits of these reciprocal-trade agreements. Who believes that the Japanese mind has been "softened toward peace" when one remembers her aggressions in China?

Mr. Chairman, the overtone of threats, the tempest of rattling swords, the dance of billions for rearmament throughout the world seems to the State Department a gentle zephyr wafting the breath of peace over the softened hearts of nations.

GERMANY

Germany is one of only two nations excluded from the benefits of these trade agreements. That does not alter the fact, however, that Germany owes this Nation \$1,200,000,000 which she does not pay. Why? Because she is rebuilding her military machine, while her besabered legions raise their steins to "der Tag."

WISHFUL THINKING

Mr. Chairman, how is it possible for the Secretary of State to see in the conditions I have endeavored faithfully to set out here a vision of peace to be achieved by his program of reciprocal-trade agreements?

I submit as an example of the State Department's wishful thinking a quotation from Constantine Brown, in a recent issue of a Washington paper, in which high officials of the State Department are quoted as saying:

People cannot possibly endure this reckless extravagance much longer. Sooner or later they will wake up and find out that spending money on unproductive construction—guns, airplanes, war-

ships, and fortifications—can lead them nowhere. And the people themselves will eventually impose their will on their respective governments and force them to put an end to this drunken sailor's attitude of the last 2 years. When this happens the world will be ready to adopt a saner attitude toward international relations.

Yes, Mr. Chairman; when the German masses take back their liberty, when the Italian people reassert their independence, when the multitudes of Russia throw off the bitter yoke of servitude, when the Japanese lay aside their world-dominion ambitions, the minds of the world may be "softened toward peace." But it must be obvious to any man or any woman in this House that if we are to purchase this "saner attitude toward international relations" by these reciprocal-trade agreements that the markets of America will have become exhausted, the wage earners of America will be workless, and the farmers of America will be destitute long before this Utopia is achieved.

Mr. Chairman, I have seen war. No individual in this broad land possibly could desire more fervently than do I peace on earth toward men of good will. Because of that very deep desire I have sought earnestly to find in Secretary Hull's reciprocal-trade policy the pathway to the world of his dreams. I wish it were true. But it is futile. It is worse than futile. In 2 years we have concluded 14 agreements, and we have sunk from a favorable trade balance of approximately \$477,000,000 to an unfavorable trade balance of more than \$4,500,000. In this connection may I state that during this period exports of agricultural products decreased \$38,192,000, while imports of these commodities increased \$199,139,000, reaching a grand total of agricultural imports for 1936 of \$1,304,900,000. If this be the result of 14 agreements in 2 years, what, I ask, will be the condition if we conclude 60 additional treaties lowering the tariff, as each agreement is entered into, on additional products which compete with American-grown or American-manufactured products, as the Secretary of State desires to do?

In conclusion, Mr. Chairman, I wish to say I do not question the integrity, high purpose, and sincerity of Secretary Hull and Mr. Sayre. I want no word of mine to be construed as disrespectful of these men or derisive of their motives. Disagreeing utterly with their method, I agree wholly with their ideal. It is because I believe these gentlemen are sincerely mistaken that I am alarmed. What would not any of us give if we might achieve that world peace that Secretary Hull desires? But we owe it to the American people to face the stern realities in the great world crisis confronting us. What a bitter thing it is to consider the futility of reciprocal-trade agreements to accomplish world peace and to realize that men having the authority and the will to continue this policy with all its destructive effects seem utterly blind to that fact. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, in the consideration of the naval appropriations bill, it is to be remembered that the amounts of money allocated are largely in direct response to the naval policy heretofore laid down by a preceding Congress. When the Seventy-third Congress voted for a Navy in conformity with the category of vessels allowed by the naval limitation treaties then in existence, it reposed power in the President to order replacement of one aircraft carrier, 99,200 tons of over-age destroyers, and 35,530 tons of over-age submarines, besides authorizing him to replace by vessels of modern design and construction the battleships of our fleet as they reached the age of 20 years. This latter provision opened the way for the replacement of 15 battleships—our entire strength in this class—by 1942.

It is about the question of battleship construction that I desire to make some observations. Since airplane warfare has come to be a reality, and even before when undersea craft came into naval use, much has been written and said about the vulnerability of battleships. Changed methods of warfare, some said, would make it necessary to hide away battleships so that they would not be blown to pieces from the air or from under water. From this kind of talk naturally flowed not a little bit of feeling widely held that continued construction of battleships was a wanton waste of public funds. No layman, therefore, but who has been wondering whether there is any truth in all of this.

For my own information, I have been looking around as a member of the Naval Appropriations Subcommittee to discover, if possible, whether we are in fact throwing away money on a useless but indeed costly piece of armament. Little or no expert answer can be obtained except from naval officers or civilian writers on naval subjects. Of course, the man in the street has an opinion, but one realizes that while he might prove right about it, yet his conclusions have been reached without much study. The first thing that one finds is that, generally speaking, naval strategists still believe that battleships are necessary for modern warfare, and consequently all the leading navies are now building, or have plans on way to construct, new battleship tonnage.

Let us enumerate. Jane's Fighting Ships, the chief authority on shipbuilding, tells us that France has in the blueprint stage two battleships, the *Richelieu* and *Jean Bart*, remarkable for the performance they are expected to give in speed and hitting power. Two other heavy ships of 26,500 tons, the *Dunkerque* and *Strasbourg*, are now nearing completion.

The same authority tells us that two 35,000-ton, 30-knot, 14-inch-gun battleships are projected by Germany and that the *Scharnhorst* and *Gneissau*, heavily armored, 11-inch-gun, 26,000-ton battleships are partly completed.

Italy is planning the *Littorio* and *Vittorio Veneto*, with nine 15-inch guns.

Jane's is less specific about Japanese battleship plans, noting only that "four new battleships are projected, two of which are expected to be begun in 1937."

Lastly, England saw recently the keels laid for the battleships *King George V* and *Prince of Wales*, and Parliament is now debating new and far-reaching naval plans, calling for three more battleships for this year. For a long-distance program, England is discussing not a battleship strength of 15 units, as presently maintained both by her and the United States, but an expansion to 24 or 25 units by the construction of new ships and by the modernization of its present 15 ships in this category.

In the light of all these programs, indicating a still thorough going belief in the efficacy of the battleship, the United States, by order of the President, is drawing plans for two new replacement battleships, and this appropriation bill is carrying the necessary moneys to begin work on them.

It is, therefore, easy to see that the battleship has not lost its popularity among naval men despite the growing expansion of air armament and its admitted power in attack.

The same doubts of the value of the battleship in the midst of new and modern implements of attack from the air have afflicted the English mind and led to an investigation by a subcommittee of the Parliament Committee of Imperial Defense on the subject of the Vulnerability of Capital Ships to Air Attack, culminating in the issuance of a so-called White Paper, dated November 1936, in which the conclusions of this body of civilians were incorporated.

The names of the members of the investigating committee were: T. W. H. Inskip, chairman; Lord Halifax, Malcolm MacDonald, and Walter Runciman, the last named having just visited President Roosevelt, and who is looked upon as one of the strongest men in the British Cabinet.

Their report as issued is ably reasoned and written, and it leaves one feeling that the question of the degree of vulnerability of battleships is entirely debatable, especially when the strongest paragraph written in favor of the continued employment of battleships, hereto appended, is examined:

If capital ships are essential to our security we must have them. We are dependent, as is no other nation, on the maintenance of our overseas trade. We have more to lose by making a false decision in so vital a matter than has any other power. Yet no other great naval power, though with less risk than we ourselves should run, proposes to do away with capital ships. Should we be the first to do so? Surely not, unless the question is settled beyond all possible doubt. We do not find that the question is so settled. It may never be settled without the test of war, but the information at present at our disposal leads us to believe that the day of the capital ship is not over, now or in the near future; to assume that it is and to cease to build them would lead to grave risk of disaster.

It is possible to state the matter in the simplest possible terms. The advocates of the extreme air view would wish this country

to build no capital ships (other powers still continuing to build them). If their theories turn out well founded we have wasted money; if ill founded, we would, in putting them to the test, have lost the Empire.

This conclusion of the Commission I shall supplement with some of the supporting data in condensed form. It is pointed out that new forms of attack such as the airplane sooner or later produce new forms of defense. The last 40 years saw the advent of the submarine, the torpedo, and the mine. Naval experts turned their minds to counteracting the possible effects of their attacks on capital ships, and now the air attack must be combatted.

Bombing from an airplane, the Commission report points out, takes three forms. Level bombing is undertaken from a high altitude. Dive bombing involves attack from a steeply diving airplane. Torpedo attack consists of dropping torpedoes from aircraft at a low altitude abeam the ship.

What has been done to meet this power of the airplane?

First of all, armor plate has been thickened after tests have shown the penetrating power of bombs. In the new British capital ships, a turtleback arrangement of side and deck armor is planned to deflect aerial attacks. The ships will be outfitted for being made completely gas-tight on short notice.

In the way of offense, the battleship, as we all know, has the anti-aircraft guns to fall back on, and the tendency is to increase the volume of fire. The Commission found that the rate of hits in tests of anti-aircraft guns do not throw much light on their value because of difficulty in simulating real warfare. Interesting, however, are the facts produced that anti-aircraft fire, even if nonvital, would unnerve the air forces and cause them to take poor aim in bomb dropping. It would also have a tendency to drive an airplane to higher altitudes, thus making its attack less sure.

The argument that more in the way of naval strength can be derived by spending funds for airplanes than capital ships was studied. The Commission found that 43 medium bombers could be bought for the price of a battleship. One of the witnesses estimated that the squadrons of airplanes needed for defense of trade and territory of Great Britain would entail a cost equivalent to that of 15 battleships. If this estimate were accepted, then the cost of the present battleship strength of England would be about the same as supplying the number of airplanes necessary to do the same work.

Having concluded my digest, I now close by reading the justification for battleships as given in the recent hearings on the naval appropriations bill by Admiral Land, Chief of the Bureau of Construction and Repair:

The modern battleship is so designed, constructed, and built that while it is not immune—and I doubt if such a thing as complete immunity can be given—it is such an uninteresting target, due to its many protective features, devices, and so forth, that we are amply justified in proceeding with the construction of them. The menace of the air to a battleship is much less than the so-called proponents of the air ever concede, or are willing to concede. It nevertheless remains a fact. So that we feel with the design as now prepared and approved that the menace from the air is very materially reduced over what has been in existence heretofore, and that we should go ahead with this type of ship, which cannot only give, but take and take and take punishment; it can take punishment far better than any other class of ship.

In conclusion, Mr. Chairman, I thought these facts, and these condensed statements from the English Commission, which, as far as I can learn, is the latest official report on the subject of the vulnerability of battleships, would be of interest at least to those of us who have heard the oft made claim that the battleship is no longer a necessary adjunct to the fighting forces of a nation. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I now yield to the gentleman from Mississippi [Mr. FORD].

FEDERAL AID FOR EDUCATION

Mr. FORD of Mississippi. Mr. Chairman, for the second time since I came to Congress I rise to direct the attention of Members to the necessity for inaugurating a permanent policy of Federal aid for education in this country.

All over the Nation parents and teachers find themselves facing a peculiar situation as regards the education of mod-

ern youth. The best methods for the operation of free public schools have been scientifically determined by experts who have given long study to educational problems, and there is a large number of available well-trained teachers who can carry into effect the methods which have been established. The only impediment—and that is a serious one—is the lack of sufficient financial support for schools located in thousands of communities in many States of the Union. These communities are places wherein education is at a premium, where many intelligent boys and girls possessed of character and ambition are eager to take advantage of every educational opportunity. Here we have children literally thirsting for knowledge, and they would make the best possible use of any learning obtained.

So, as I have previously pointed out, the lack of funds necessary to carry on our schools is a difficulty that so dangerously threatens our educational structure as to make its present benefits and future operation matters of fearful doubt and speculation. We have the statesmanship in this country and we have a Government with sufficient funds to solve this problem of inadequate finances and remove this intolerable menace.

In this connection I look back to my speech of April 9, 1935, in which I made the following statement to this House:

The children, the teachers, and the parents in many homes scattered over the broad area of the United States are wondering if those who represent them in the councils of the Nation will perform their duty and eliminate this dread danger. What they want and what they should have is a sound, permanent program that will insure the future security of public education. They are entitled to it, and those who are entrusted with the direction of this Government should grant it as speedily as possible.

This was good doctrine 2 years ago and it is good doctrine today. The pity of it all is found in the deafness with which the congressional ear is so often turned to the importunities of a situation crying aloud for the benefit of Federal legislation—Federal legislation which should be easy to enact and easy to administer, with untold benefits resulting from the expenditure of a comparatively small sum of money.

May I say, Mr. Chairman, that education was once considered a parental responsibility, and was in turn assumed by the church, by the locality, and then by the State. There is nothing to prevent the assumption by the United States of its just share of the cost of education. Over a century ago we find the first five Presidents of the United States advocating Federal aid for education. They knew that a fine foundation for every nation is the proper education of its youth.

We have only to look about us and we see many sections of the country which are very poor, while others are very rich. Wealth has flown into the rich centers from the poor ones, and from the rich centers some of this money finds its way into the Treasury of the United States. I maintain that it is only fair that at least part of these funds should be returned to the poorer States for use in the education of their future citizens.

The principle underlying and supporting the advocacy of Federal aid for education has found application in our present system of Federal aid for roads, an item formerly restricted solely to State and local dominion. I believe in governmental assistance for promoting navigation, building necessary dams, and draining rivers, as well as in building roads. Am I lacking in logic when I say that the principles underlying activities of that kind can be consistently extended to educational endeavor? I think not. I believe it to be entirely logical.

Following further the logic of the argument, let me remind you that the Federal Government has assumed the responsibility of providing assistance toward social security in this country, and I am glad that it has done so, my only objection being that the Government has not been liberal enough in its provision for the aged. But let me here and now bring in the thought that uniform education, provided for by necessary assistance from the Federal Government, is a great guaranty of social security. Many are the citizens we have today, both men and women, who would have better equipped themselves with better educations had they been given a reasonable opportunity in which to do so. That

they do not have educations highly necessary in these complex times is not their fault; it is the fault of the Government which did not provide the required educational facilities. In many instances the inadequacy was due to lack of funds which the State and local authorities could not hope to be able to raise.

I would further direct your attention to the fact that the States and local authorities have been struggling in a brave attempt to carry the burden of education as it should be carried. The result has been a people weighted down with high taxes. The real-estate tax is growing more and more inadequate, because of the decline in real-estate values, coupled with the gigantic increase in urban population. More than half our people now live in cities, and the major portion of our wealth is industrial. In many States the property tax is so sadly overworked as to nullify any hope of additional income from that source. The educational system must be improved and maintained, we all agree, but the increase of local taxes is out of the question. Even if we are to lay aside every consideration except the practical aspects of the question, there still remains only one solution—a permanent policy of Federal aid for education.

These convictions prompted me to introduce a bill in the last Congress, March 4, 1935, which sought the appropriation of \$100,000,000 for Federal aid during the year ending June 30, 1936, and setting up a permanent plan of Federal aid beginning with June 30, 1937. This Congress has seen the introduction of several bills which carry the same principles as did the bill which I introduced. I ask you to give particular attention to S. 419 and its companion bills, H. R. 1634 and H. R. 2288, introduced in the early days of this session. The enactment of any of these bills would authorize the appropriation of at least a hundred million dollars a year for Federal aid to education in the various States, and sets up such aid as a permanent policy. I hope every Member of Congress will give this legislation his most earnest consideration, and I hope that the Committee on Education will report out a measure at once. I think that the House has already waited far too long about taking favorable action intended to substantially help education in the United States.

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, something over 2 years ago I inflicted some rambling remarks upon the members of the committee concerning a question which at that time I thought was highly important and which I still think is important; in fact, more important than ever before. Perhaps my remarks will be recognized as coming from a man who is riding a hobby. It has to do with the submission of amendments to the Constitution of the United States. I am emboldened to bring this matter up again because we are hearing so much these days about the Constitution, its past, its present, and its future, and, incidentally, a good deal of discussion as to the advisability or practicability of amending it from time to time in order, as some people contend, to keep it up to date with modern progress.

I have introduced a duplicate of a bill which I introduced 2 years ago, and it has been referred to the Committee on the Judiciary. It is H. R. 299. It proposes that the Congress shall exercise the power which I am convinced it possesses in the regulation of the method by which the States may pass upon amendments submitted to them by the Congress in accordance with the provisions of article 5 of the Constitution. The present machinery, or, rather, the lack of it—and I think that is an accurate description of the situation—has brought us to a point which, to say the least, is sloppy, a point where under certain sets of circumstances it is almost impossible to secure a decision from the requisite number of States after an amendment has been submitted to them in due course by the Congress.

To review the situation a little bit, may I remind those who are good enough to listen to me for a few moments that the Constitution has thus far been amended 21 times. True, the first 10 amendments were ratified practically in a single group. They were submitted by the First Congress,

following the inauguration of Washington as President, as a result of what has been known as a gentleman's agreement amongst the leaders of the Thirteen States at that time that those 10 amendments or their equivalent would be submitted immediately after the convening of the new Congress, or else the requisite number of States—at that time nine—could not be marshaled in support of ratification of the original Constitution. It may not be remembered, however, that when that First Congress met it was not content with submitting 10 proposed amendments. It submitted 12 amendments. Amendment numbered 1 has not yet been ratified; amendment numbered 2 has not yet been ratified; and amendments 3 to 12, inclusive, were ratified and became the first 10 amendments inserted in the Constitution. It may interest Members to know that amendment numbered 1 had to do with the basis of representation for Members of the House of Representatives. Had it been ratified and kept as a part of the Constitution all these years, the House of Representatives would have consisted of about 2,000 Members at the present time.

The other provided that the compensation of Members of Congress should not be increased until a succeeding election had taken place after the proposed increase. Those two amendments are still pending. They have never been withdrawn from the States. There is no machinery for their withdrawal. One of them was ratified by six States and another one by seven States. In neither instance did nine States, the then requisite number, vote for ratification. In other words, they have been pending for 147 years.

I might emphasize this side of the situation by reminding you that when a State rejects an amendment, that action is not final. It may later change its mind and if it ratifies, then that action is final. So that unless an amendment is ratified it is forever pending; and unless there is something done to the contrary—and perhaps the much-criticized Supreme Court might come to our rescue in this respect—it can be taken up at any time, even after the expiration of 147 years. Each State is entitled to take it up. There is nothing to prevent it. A decision has not been made because, under our peculiar situation, the only decision that is final with respect to an amendment to the Constitution is an affirmative decision. There is no such thing as a final negative decision under our present machinery.

Mr. DIRKSEN. Mr. Chairman, would the gentleman care to yield for a question?

Mr. WADSWORTH. My time is limited, if the gentleman will excuse me for a little while.

Then on May 1, 1810, another amendment was proposed and submitted to the States, which provided that if any citizen of the United States accepted a title of nobility from a foreign potentate, he should lose his citizenship and be ineligible to hold office in the United States. That amendment was submitted 126 years ago, and it is still pending. It has never been ratified by a sufficient number of States and, therefore, it still has life.

Seventy-five years ago another amendment was submitted, and this, to my mind, is the most interesting of the four unusual amendments that still have life. On the 2d day of March 1861, 2 days before Abraham Lincoln was inaugurated as President of the United States, the Congress submitted to the States a proposed amendment to the Constitution, which, had it been ratified, would have had this effect, that the Federal Government should have no right to interfere with a domestic institution inside of a State, including the institution of slavery. Two days before Lincoln was inaugurated the Congress submitted a proslavery amendment to the Federal Constitution. It might interest you to know that the State of Ohio ratified it. The State of Maryland ratified it. A rump convention, which happened to be sitting in the State of Illinois at Springfield, attempted to ratify it. Six weeks later Sumter was fired upon and the great issue was settled in another manner; but the amendment is still pending. I am not endeavoring to frighten you into believing that it will be resuscitated, but

it is extraordinary that we should be in a situation of that sort.

So much for four amendments that are still pending. There is a fifth, the famous child-labor amendment now being discussed before so many State legislatures. It was submitted by the Congress on June 2, 1924. Therefore on the next 2d of June the child-labor amendment will have been pending before the States for 13 years, with no decision, unless indeed eight more States, as I figure it arithmetically now, ratify between this day and June 2.

I do not intend to discuss the merits of the so-called child-labor amendment, but its fate illustrates the fault which I believe exists in our system. It was submitted almost 13 years ago. It was submitted to the State legislatures for ratification. Since that time 38 States of the Union have at one time or another rejected it. More than three-fourths of the States of the Union have at one time or another since June 2, 1924, rejected the child-labor amendment. Still there was no decision, because rejection is not final in any State or in the Nation at large. There is no such thing as final rejection. Several of those 38 States have changed their minds from time to time and have since ratified the amendment. So that by today at one time or another 28 States have ratified it.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. HOUSTON. Was there any definite time limit on when this child-labor amendment should be ratified?

Mr. WADSWORTH. There was not.

Mr. HOUSTON. Does the gentleman know what the twenty-eighth State was which ratified it? Was it not the State of Kansas?

Mr. WADSWORTH. Kansas, I believe. Kansas had rejected the child-labor amendment five times, and finally ratified on the sixth attempt.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. DIRKSEN. The gentleman says there are no mechanics for that particular amendment; but the fact is that if a time limit is placed in the proposed amendment, the whole matter falls of its own accord if it is not ratified within the given time?

Mr. WADSWORTH. That is my view.

Mr. DIRKSEN. And that would, of course, take care of the situation?

Mr. WADSWORTH. That would take care of the situation, but I think it should be standardized so that there should be no mistake in the future. When the eighteenth amendment was proposed it carried a provision that if it was not ratified by the requisite three-fourths of the States within 7 years, it should be deemed to have been rejected.

I think the woman-suffrage amendment carried somewhat the same provision, although I am not certain. Members may be interested to know how long it takes on the average to ratify amendments. Twenty-one have been ratified since the beginning. The one with respect to which the most time was consumed was the so-called income tax, or sixteenth, amendment. With reference to that amendment, a period of 3 years, 6 months, and 5 days elapsed between submission by Congress and ratification by the 36 State legislatures. The shortest period elapsing in the case of ratification, strange to say, was the repeal of the eighteenth amendment. It took only 9 months and 15 days to do it. To be sure—and I happen to remember some instances in connection with it—it took us 14 years to reach that point, but only 9 months and 15 days to ratify it.

[Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. WADSWORTH. Another amendment which was ratified in a short time was the so-called "lame duck" amendment, which took 11 months and 4 days.

Counting all the 21 ratifications and grouping the first 10 in 1 unit, we find that the average time which has elapsed between submission and ratification is 1 year and 7 months.

I call that to the attention of the members of the committee, because we hear some proposals these days that we cannot submit amendments to the Constitution and have them ratified because it would take too long, and Government cannot wait. The average length of time has been 1 year and 7 months.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. MICHENER. If the majority of the people want to amend the Constitution, and if the Congress were to submit the resolution today, it could be amended within 90 days without any question of doubt.

Mr. WADSWORTH. Certainly.

Mr. MICHENER. It must be remembered, of course, that in some States the legislatures do not meet even biennially. I think there is one or two in which that is the case.

Mr. WADSWORTH. There are some States where the legislatures meet but once in 4 years.

Mr. MICHENER. I think they are all meeting now.

Mr. WADSWORTH. I think the majority of them meet every other year. Had an amendment to the Constitution been proposed this last January and had it met with an overwhelming public support in the States, there is not the slightest doubt that it could have been ratified just about as quickly as Congress could pass a doubtful act and get the Supreme Court to pass on it.

Mr. MICHENER. Quicker.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. MILLER. Supplementing what the gentleman has said, I think the whole thing could be obviated by Congress merely providing in the amendment that it should be submitted to conventions called by the States within a specified time.

Mr. WADSWORTH. That was the suggestion made by the gentleman from Illinois, and that is the purpose of my bill, although I would accomplish it in a little different way.

I do not know whether I have time to emphasize one phase of the question that appeals to me, but I shall try. Article V of the Constitution provides two alternative methods of submission. The Congress is to select which method shall be employed. An amendment may be submitted to the legislatures of the States or it may be submitted to conventions of the people called in the several States. I think a reading of the debates of the old, old days will lead one to the conclusion that the authors of the Constitution expected that all amendments that invited the people to surrender power to the Federal Government, to increase the power of the Federal Government, to make a change in the relationship between the sovereign States and the Federal Government, should be submitted to conventions of the people. Indeed, the original Constitution was submitted to conventions of the people in the 13 States, but for some reason or other since that time and down to the submission of the repeal of the eighteenth amendment Congress has always selected the legislatures as the ratifying agencies. I think it was a mistaken policy, but in any event the Congress has the right to choose which of the two it shall take.

We cannot bind future Congresses in this matter, but we can in a statute declare it the belief, as it were, of this particular Congress, that in the future unless the Congress otherwise decides, amendments shall be submitted to conventions of the people. We have demonstrated the effectiveness of this method in the matter of the repeal of the eighteenth amendment. Many people said, "Oh, the country is too big; you cannot get the States to go along, you cannot get them to elect delegates to a State convention; it won't work." It worked quicker than anyone we have ever had. Less time elapsed in that case than in the case of any other amendment. The people of the States demonstrated their ability to rule themselves, their ability at self-government. Within 9 months and 15 days 48 State conventions were called, held, and decisions made without the slightest doubt but what those decisions en masse represented the will of the American people.

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Mr. HOUSTON. Mr. Chairman, will the gentleman yield?
Mr. WADSWORTH. I yield.

Mr. HOUSTON. Would not ratification by conventions have a tendency to eliminate any particular partisan feeling which might exist in the legislatures?

Mr. WADSWORTH. Certainly it would. It will keep these amendments from becoming political footballs. The child-labor amendment, because of the way it has been handled, has become a political football, kicked around for 13 years back and forth, up hill and down dale. Thirty-eight States have rejected it and 28 have ratified it—an absurd picture.

Mr. PLUMLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WADSWORTH. Mr. Chairman, the question is, How best may we standardize this thing and still leave a completely free decision to the States? As I stated a moment ago, I think as a matter of general policy we should use the conventions of the people in the States. An amendment of comparatively small importance, like the Norris amendment, which did nothing more than change the date of the inauguration of the President and the convening of the newly elected Congress, a purely mechanical change, could very well be sent to the legislatures for ratification; but an amendment like the child-labor amendment, which invites the people of the various States to surrender to the Federal Government an important power heretofore enjoyed by the States, should go to the people of the States that created the Constitution in the first instance.

Having gone to conventions of the people, it is within the power of the Congress to say in the statute that the convention called to ratify shall be composed of delegates elected at large in each State. That defends the process against the rotten borough system which exists in some States in the matter of electing delegates by districts. The delegates shall be elected at large in the State so the people of the entire State will have an equal say in the matter, and the decision then is the decision of the people of the State rather than a decision of the majority of the districts.

Unless another date is specified by the Congress, the delegates shall meet on the twenty-eighth day following their election, which allows plenty of time. The legislature of the State calls the convention. The delegates, when elected, must meet promptly thereafter and render the decision of the people of the State.

The delegates so chosen shall constitute a convention in the particular State to ratify or reject. Concurrence of a majority of the total number of delegates shall be necessary to a choice. It shall be the duty of each convention to provide for official notification of the Secretary of State of the United States.

There is nothing in our statutes today that provides how the State of Illinois or the State of New York shall notify anybody that it has ratified or rejected an amendment. It has grown up by a sort of custom. There is no standardization. My bill provides in this section that delegates shall be elected and the convention held in accordance with the laws of the State. Then any amendment hereafter proposed to the Constitution of the United States shall be deemed to have been ratified as a part of the Constitution when it has been ratified by three-quarters of the States within 5 years after the amendment is proposed, and not later, or shall be deemed to have been rejected and no longer capable of being ratified by a State when it has been rejected by more than one-fourth of the States. Then you have your decision in accordance with the clear mandate of the Constitution of the United States.

Today you cannot tell when you will have a decision. The members of this body are this afternoon wondering whether the New York Legislature sometime this week or next week, after 13 years of consideration, is going to ratify or not. If it does ratify, that ends the matter for New York. If it rejects, the matter is not ended for New York at all. It goes on and on and on.

As I said in my opening remarks, this is somewhat of a hobby of mine; and my friend the gentleman from New York [Mr. CROWTHER] reminded me the other day that there is a

difference between a hobby and a horse. You can dismount from the horse. [Applause.]

Mr. LUCE. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Massachusetts.

Mr. LUCE. Has the gentleman given any thought to the problem presented by the fact that there is good authority, although not convincing or complete authority, for the belief that when a State convention has assembled, it may not be confined to any one subject but will have full power, being the embodiment of the people of the State, to proceed with anything else which it chooses to take up, the result being in some States that they do not want redistricting changes in their constitution or other changes? Therefore a convention is strongly opposed by a substantial number of the people under any circumstances.

[Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WADSWORTH. The gentleman from Massachusetts brings up the question that a convention called in a State for the purpose of passing upon an amendment to the Federal Constitution, having disposed of that business, might go on with State business.

Mr. LUCE. It is not a new question. It has been threshed over in various States from time to time.

Mr. WADSWORTH. Of course, the Federal Government would not have jurisdiction over that end of it. I might cite the example of the repeal of the eighteenth amendment, when 48 States called conventions, elected delegates, and each State with perfect good order reached a prompt decision. That decision was recognized and accepted by the people of all America.

Mr. PHILLIPS. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. What would the gentleman's suggestion be about disposing of the pending amendments which he told us about in such interesting fashion?

Mr. WADSWORTH. Nothing can be done about that. My bill is not retroactive, and we cannot make it retroactive. Those amendments that are now pending are not in the possession or jurisdiction of the Congress of the United States. They are out there somewhere in 48 legislatures, and they will stay in each legislature until the legislature ratifies.

Mr. PHILLIPS. How about the constitutional amendments?

Mr. WADSWORTH. They are constitutional amendments. Does the gentleman mean a constitutional amendment to withdraw all the old trash?

Mr. PHILLIPS. My point is if another constitutional amendment should be submitted, why should it not include pending amendments?

Mr. WADSWORTH. I am not advocating a constitutional amendment. I am advocating the passage of a statute by which the Congress of the United States can exercise its undoubted power to regulate the manner in which the States shall perform their Federal functions in connection with amendments. [Applause.]

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield such time as he may desire to use to the gentleman from Kansas [Mr. Houston].

FEDERAL SALES TAX ON GASOLINE AND LUBRICATING OIL

Mr. HOUSTON. Mr. Chairman, Congress should, at the earliest moment, repeal the present Federal sales tax on gasoline and lubricating oil, since these are inequitable and unreasonably burdensome.

I do not believe there is any other tax concerning which a committee from either branch of Congress has frankly admitted that it was objectionable and should be repealed. This is the case with the Federal sales tax on gasoline. Originally levied in 1932 as a temporary measure, it has been continued and even, for a brief period, increased. On May 10, 1933, the Senate Finance Committee in its favorable report on continuance of this tax, made this assertion:

Your committee is of the opinion that the gasoline tax should be reserved for the States after June 30, 1934.

There was every ground, Mr. Chairman, for that declaration. Before the Federal tax was laid, every State in the Union and the District of Columbia had its own gasoline sales tax. In spite of that admission, the same committee in 1935 recommended that the tax be continued, grouping it with other taxes, and declaring:

In conclusion, your committee, while recognizing that many of these taxes are objectionable or contain objectionable features, strongly urges that these taxes be temporarily extended for a period of 2 years without a change. Action on the part of the Congress to remove these taxes at an earlier date or to revise same will not be foreclosed by the passage of this joint resolution. Since the majority of these temporary revenue laws will cease to be operative after June 30, 1935, unless this joint resolution becomes law before that date, the prompt consideration of this measure is also urged by your committee.

It was also a clear recognition that by imposing this tax the Federal Government was invading a taxation field which it recognized as properly belonging to the States.

In many States this gasoline tax now constitutes the most important single source of revenue. In Arkansas, Florida, and Georgia approximately 50 percent of all tax revenues comes from the gasoline sales tax. In North Carolina, Tennessee, and Texas about 30 percent is thus derived. Many States have even pledged their expected future receipts from the gasoline tax for payment of interest and bonds. West Virginia thus has pledged 83 percent of all State gasoline tax collection for debt service on highway bonds. Arkansas pledges 65 percent, South Carolina 58 percent, North Carolina 49 percent, and Florida 43 percent. The Federal tax, therefore, because of its effect upon the consumption of gasoline, adversely affects the expected income of the various States.

This question of the effect of double taxation has been noted by Congress. The Ways and Means Committee of the House of Representatives authorized in July 1932 the appointment of a special committee to study this whole question of double taxation. In the preliminary report transmitted to that committee by Chairman VINSON of Kentucky these comments were made:

If gasoline is classified as a necessity, as undoubtedly it must be in many cases, then the tax burden is unprecedentedly high for a necessity.

* * * Combined Federal, State, and local levies upon gasoline increase the sales price to the consumer from 30 percent to more than 100 percent, depending upon the State involved. This is a large percentage, and while the tax is productive and easy to collect, it is evident that the rates are approaching the point of diminishing returns. * * *

A discussion of the tax which gasoline can fairly bear without materially reducing its consumption is one of the important matters deserving the attention of both Federal and State legislators.

With specific reference to the Federal gasoline tax the committee pointed out:

Prior to 1932 every State in the Union, the Territory of Hawaii, and the District of Columbia imposed a tax upon gasoline. On June 21, 1932, the Federal Government entered the field with a 1-cent tax upon gasoline sold by producers or importers during the period June 21, 1932, to June 30, 1933. While the Federal tax is a temporary measure, there is a possibility that it may be extended into 1934 or later years.

The Interstate Commission on Conflicting Taxation, at a meeting held May 24 and 25, 1933, made the following recommendation:

Gasoline taxes: Since Congress has declared that the Federal tax on gasoline was levied only as a temporary expedient on account of the emergency, the Commission urges the Federal Government to relinquish this source of revenue for the exclusive use of the States at the end of the next Federal fiscal year.

The continuance of this Federal sales tax seemingly is justified by its supporters solely on the ground that it produces revenue and not upon the ground that there is a sound principle underlying it. Federal sales taxes have been consistently rejected. If gasoline and lubricating oil were only one of a large group of articles in common use which were subjected to a Federal tax, it might then appear that the theory of a Federal sales tax was approved. This, however, has not been the case. On the contrary, these petroleum

products seem to be singled out merely because of the ease of the collection and the large revenues thus received.

The petroleum industry has been carrying an unusual tax burden. Both the number and the amount of these taxes have been variously estimated. It seems accepted by the best authorities that there are now over 70 special taxes levied on the oil industry alone and that there are over 130 general taxes which are levied on the industry, many of them falling also upon others.

Since, ultimately, the consuming public pays these taxes, it might be more accurate to point out that the motoring public is today carrying this tremendous tax burden. From 1919 to 1935, a period of 16 years, motorists have paid over \$12,000,000,000 in taxes. It has been estimated by the National Industrial Conference that the 1935 tax bill of the whole country amounted to \$9,650,000,000. Over 13 percent of all these taxes was paid by the motorists. Of the State taxes collected in the 48 States, 32 percent is from gasoline taxes paid by the motorists.

These heavy taxes are largely paid by those who are in the lower income brackets. The Department of Commerce has published Consumers' Use of Selected Goods and Services by Income Classes, showing that 88 percent of all cars were purchased by families with incomes less than \$3,000 per year and 71.3 percent by families receiving less than \$2,000 per year. Under the theory that taxes should be levied upon the basis of the ability to pay, it seems inequitable that groups who are exempted from payment of income taxes on the theory that they are not able to pay should be the very ones upon whom falls probably the largest amount and the heaviest burden of these gasoline and lubricating-oil sales taxes.

Improper or inequitable laws inevitably create disrespect for law, evasion of law, and corruption. We have found this sadly true in more than one instance in the past. It is true also in the matter of sales taxes on gasoline. The bootlegging of gasoline which has not paid the tax has created serious problems in a number of States. The border line between a State having a high tax and a State having a low tax naturally invites gasoline bootlegging. This has been true in my own State. Kansas had a 3-cent State gasoline tax rate. Missouri had a 2-cent rate. Oklahoma had a 4-cent rate. Arkansas had a 6½-cent rate. A very profitable trade soon developed, the gasoline for the State with the lower tax rate being bootlegged into the neighboring States whose taxes were higher. This meant a very definite loss of much revenue to the States where the bootlegged product was sold.

In this matter it has been remarked by more than one that in this evasion of gasoline taxes those who are guilty of the practice are following the example of the governments themselves, which, having originally declared that the purpose of gasoline taxes was maintenance of highways, then diverted it to other purposes.

Mr. Chairman, this Federal sales tax on gasoline and lubricating oil affects rather vitally two outstanding industries which have been in the front rank of those leading the way back to prosperity. The petroleum industry and the automobile industry have been pacemakers for the rest of our industrial world. The levy of this tax which is ultimately paid by the consumers of petroleum products and the users of the products of the automobile industry is bound to affect the purchase and use of the products of these two phases of the Nation's business. Various studies which have been made of the effect of an increased or a decreased State gasoline tax upon the consumption of gasoline products have revealed that if the tax goes up per car consumption decreases and if the tax goes down per car consumption increases. Since persons of less than moderate means constitute the largest number of automobile users, it seems likely, although it has not been demonstrated, that the automobile industry may also feel the effects of the increased cost of maintaining an automobile due in part to the Federal gasoline tax.

The farmers constitute a large section of these gasoline users in the low-income groups. According to the Depart-

ment of Agriculture, 22 percent of the motor vehicles in the country are owned on farms. The average consumption of motor fuel by farm vehicles is estimated at 565.6 gallons. That means that farmers are being compelled to contribute approximately \$28,400,000 annually in Federal gasoline sales taxes. In view of the fact that the Bureau of Agricultural Economics finds that the average gross income of farm owners of automobiles is less than \$1,500 annually, this tax is probably one of the most burdensome which could be devised for this group. In view of the condition in which so many of the farmers of the Nation find themselves, the injustice and the impropriety of this tax, of which nearly one-fourth is paid by the farmers, seems self-evident.

No one, Mr. Chairman, would propose that a Federal sales tax should be levied upon hay or grain sold to farmers for consumption by their horses which formerly furnished the automotive power on the farm. Nevertheless, the farmer's tractor and his stationary engine which is the modern substitute for the horse obliges the farmer to pay the Federal gasoline sales tax upon all of the motor fuel which is used for this necessary machinery on the farm. While the Nation labors to increase the farmer's purchasing power, it seems to be even more effectively laboring to take from him \$28,000,000 of that reduced purchasing power.

These Federal sales taxes on gasoline and lubricating oil are unusual in that this form of tax is customarily levied on luxuries rather than necessities. Among the commodities which have this type of tax are tobacco, liquor, playing cards, and other articles which are not in common use by the great body of the American people. Gasoline and lubricating oil do not belong in the same category with these products. This is preeminently a motor age. The great body of our people rely upon transportation by automobile or bus. Motors not only drive pleasure cars but are in constant use as part of our transportation system. The tax upon motor fuel in reality is a tax levied upon transportation. It is, therefore, a tax also upon distribution. This might be subject to more than usual criticism, since one of our most significant economic efforts today is to promote distribution of our products.

The tax upon lubricating oil is levied upon our farming and industrial interests as well as upon those who may use motor cars for pleasure or luxury. All our machinery requires lubrication. Without the convenient and effective type of lubrication supplied by petroleum products we would be forced to rely upon less satisfactory methods. This tax might then practically qualify as a tax laid upon manufacture. Into that same category would fall the farmer's use of lubricants on his tractors and other types of farm machinery.

The industrial use of lubricating oil constitutes 43 percent of the total consumption. According to the Interstate Commerce Commission railways of class 1 alone purchased \$13,545,000 worth of lubricating oils and closely allied products, using approximately 84,093,750 gallons upon which they paid a Federal sales tax of approximately \$3,363,750, or about 11.7 percent of the total revenue derived from this tax. Motor vehicles operated by industrial and commercial companies, according to a study made in 1931 by the United States Bureau of Mines, use 26 percent of all lubricating oils.

The lubricating oil tax ranges from 4 percent to 33 percent of the sales price of the product when that sells for 25 cents per quart down as low as 12 cents per gallon.

The total revenues returned from the Federal sales tax on lubricating oil total approximately \$27,000,000, a very minor portion of the Federal Government's income.

Since these taxes would appear to be inequitable, discriminatory, and burdensome, Mr. Chairman, it is to be hoped that the Congress will seriously consider whether their continuance would not be of greater advantage than their reenactment. It seems quite probable that if these levies are abandoned, industrial recovery will be advanced and the additional Federal revenues received from other taxes, due to this promotion of recovery, would compensate either wholly or largely for the elimination of taxes which it was hard to justify.

Mr. UMSTEAD. Mr. Chairman, I yield such time as he may desire to use to the gentleman from Ohio [Mr. LAMNECK].

Mr. LAMNECK. Mr. Chairman, the Supreme Court controversy is the most important issue that has confronted the country since the Civil War.

Efforts are being made to becloud the issue by injecting politics. I want it clearly understood that I am a Democrat; that I loyally supported Mr. Roosevelt in both of his campaigns for the Presidency; that I will continue to support him when I think he is right; but that I will oppose any effort to rob the people of the liberties and rights that have been so dearly gained. The question is not whether we shall or shall not support the President but whether we shall do it within the framework of the Constitution. Since the almost total surrender by Congress of its power to the Executive, the Supreme Court remains the last bulwark of the people's rights.

Let us look back in history and note the struggles of the people to gain these rights. In ancient Rome the common people once left the city and refused to come back unless they were given written laws to protect their liberties. The freemen of England defeated the forces of King John and forced him to sign the Magna Carta—the bill of rights upon which Anglo-Saxon law is based. The Puritans sailed the then unknown Atlantic to find a place where they could enjoy the right to worship God as they saw fit. The history of the Colonies is a history of the struggle of people for the right to govern themselves. Franklin, Jefferson, and the other signers of the Declaration of Independence pledged their lives, fortunes, and sacred honor in support of the Declaration, but it took 7 long years of bloodshed and suffering to make independence a fact.

The people who have emigrated to America have come here seeking the free exercise of rights denied them in their own countries. The French Huguenots came here seeking the right to worship as they pleased—and found that right. The Irish fled their homeland because they could enjoy here the right of self-government. The subject people of Austria and Russia found in America that freedom denied them in their own lands. Many people came to this country from Germany shortly after the failure of the revolution of 1848, in which the German people rose against the ruling class and demanded their rights. After putting down the revolution the rulers of Germany became increasingly oppressive and hundreds of thousands of the common people emigrated to other lands, the greater number to America.

Up to the present time the American people have continuously fought for, and succeeded in adding to, their rights. Will it be said that in 1937 the tide turned and they commenced to lose them? Will the tide of freedom-seeking emigrants turn the other way? Will Americans have to leave their own country to seek their rights? I trust not.

To find the reason why the framers of our Constitution deliberately divided the powers of the Government into three branches, we must first know the conditions as they existed prior to its adoption. The colonists had suffered from unchecked power in the hands of one man, George III. This British King controlled the Parliament and appointed and controlled the judges. The wise fathers of our country decided that they would not allow such a thing to happen in America. They gave the power of making laws to Congress, the power of interpreting the laws to the courts, and the power of executing the laws to the President. They did this deliberately, so that no one man or group could centralize the power.

Let us see what former Presidents have said on this aggrandizement of power in the hands of one man. Washington, in his Farewell Address, said:

The spirit of encroachments tends to consolidate the powers of all the departments in one, and thus create, whatever the form of government, a real despotism.

Washington said further:

If in the opinion of the people the distribution of constitutional power be in any particular wrong, let it be corrected by an amendment, but let there be no change by usurpation.

Our fourth President, James Madison, wrote:

The accumulation of all powers—legislative, executive, and judiciary—in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny.

Supporters of the President's proposal speak of a "mandate" given the President because of his overwhelming majority. Throughout his entire campaign the President spoke not a word about this proposed change. The Democratic national platform states:

If problems cannot be effectively solved by legislation within the Constitution, we shall seek such clarifying amendments as will assure * * * power to enact these laws which * * * we * * * shall find necessary. Thus we propose to maintain the letter and spirit of the Constitution.

Every Congressman, every President, must take a solemn oath to "preserve, protect, and defend" the Constitution. Undermining the Supreme Court in order to shove unconstitutional legislation down the throats of the people is as much a violation of this oath as it would be to tear the Constitution to shreds.

We have recently had a case of an executive undermining the judiciary in Michigan. Some automobile workers went on a strike and seized the factory of their employers. They comprised a very small minority of the total number of workers, but because of their key position they threw 10 times their number out of work. The factory owner sought and received an injunction—the court ordering the men out of the factory. The men refused to go; and when the sheriff reported to the Governor that he did not have sufficient men to evict the strikers, but that the nonstriking workers were about to evict them, the Governor had the National Guard surround the factory to protect the strikers in their illegal act.

This Governor, who is said to have White House ambitions, also took an oath to preserve, protect, and defend the constitution and faithfully execute the laws of the State of Michigan.

The right to enjoy one's property is a part of the Bill of Rights; and if the workers seize other people's property, how long can they be sure that their own property will be safe from seizure? I believe it was Lincoln who said, in effect, "Do not destroy your neighbor's house, lest your own house be destroyed."

Do not mistake me—I am a friend of labor. I believe the worker has the right to bargain collectively or individually as he chooses, to work if he chooses, quit when he chooses, and go on strike when he chooses.

Would-be dictators always incite the worker, recount the sufferings of the people, and then explain that in order to correct these conditions they must give up rights and powers. Once in possession of this power the dictator is no longer a would-be, but a reality. The people find that the silken threads have turned to chains, and that the long struggle to regain their lost rights has again begun.

Take Italy for example: Mussolini has placed Italy back on its feet, but at the cost of the people's rights. You are either in favor of the Fascist Government, or you are in jail. Germany is another example; Hitler has improved things in a material way but at the cost of free speech and free press. In Russia, anyone who has a different opinion from the ruling clique is liable to find himself soon before a firing squad.

Let us see what happens to groups in dictator-controlled nations. In Russia, there is no such thing as freedom of religion. In Germany, the Nazis are in constant warfare with both the Catholic Church and the Protestants. In Mexico a young girl suffers death for attending a religious ceremony in defiance of the law. In Italy the Masonic order is suppressed. In Germany the Jews are oppressed and have suffered the loss of their rights. Labor has suffered the loss of its rights in both Italy and Germany.

The people of these countries once had the rights we now enjoy but were careless of them. They do not have them now. They cannot worship God as they please, or speak according to their conscience, or participate in the affairs of

their governments. These people can give Americans the answer to the question of what can happen to a nation that grows indifferent toward liberty. They lose it. And once lost, the reclaiming of liberty may be vastly more difficult, more bloody, and more tragic than the original winning of it.

These rights have been regarded by our ancestors as so precious that they have suffered untold hardships, and have even given up their lives to gain and preserve them. Are we to sit supinely by and see them taken away? Shall the sufferings, sacrifices, and struggles of our patriots have been in vain? Just as the fathers of our country dedicated their lives and fortunes to making America free, it is for us, the living, to dedicate our lives to keeping it free. "Eternal vigilance is the price of liberty."

In a world given over to one-man governments, the President has stood out as the defender of democracy—has made numerous speeches advocating that we Americans should prove to the world that "democracy will work." Can this be the same man that, controlling the legislative branch of the government, now seeks to gain control of the judiciary? Do we want a one-man government; no matter how benevolent?

I do not believe that Franklin Roosevelt has dictatorial ambitions; but we must remember that the term of Presidents is limited and that some other man in the White House might use the combined executive, legislative, judicial power to the detriment of the people and not to their advantage. I do not believe that the President now has any intention of taking away the liberties of our people; but I would like to make it clear to you that the Supreme Court is the last guardian of your rights. If you allow the Court to be packed today, you are liable to find that your liberties have vanished tomorrow.

An appeal is being made to the farmers to support the President in his demand. They are being told that the only way to give them the legislative aid they desire is this judiciary change. They are not told that this is the beginning of the probable loss of their rights—the right to plant what they want, when they please, and to sell their produce where they please—the right actually to hold property, the right of free speech. Are the farmers willing to risk losing their rights and independence for a small yearly soil-erosion or crop-curtailment check? Are they willing to sell their birthright for a mess of pottage?

The graveyard of the Democratic Party is strewn with the remains of Congressmen who, following the dictates of their conscience and the interests of their constituents, dared to vote against some of the administration's proposals. The Democratic Party will probably find itself in the graveyard if it allows itself to be known as the party that surrendered the hard-won rights of the American people.

The United States has done well under our present form of constitutional government. We have grown from 13 sparsely settled States with a population of 3,000,000 to a great Nation, spanning the continent, with a population of 130,000,000 and a standard of living the highest the world has ever known. The authors of the Declaration of Independence said:

Prudence indeed will dictate that governments long established should not be changed for light and transient causes.

If we feel the need of a change in our form of government, we should remember that the Constitution provides for such a change by amendment. Opponents of the proposal to submit the issue to the people claim that it would take too long. This argument lacks force by reason of the fact that the prohibition repeal amendment was adopted a few short months after the people had been given the opportunity to vote on it. You can trust the American people. They have uncommonly good common sense. If we are to have a government of the people, by the people, and for the people, then we must let the people have final say on important changes in the structure of the Government.

In conclusion, my fellow citizens, I again warn you that eternal vigilance is the price of liberty; and I appeal to you

to make your wishes on this most important issue known to your servants in Congress. Let us keep our liberties intact, place patriotism above politics, and fritter not away for a momentary good the hard-won values of centuries of endeavor.

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, I am not going to consume the 10 minutes. The gentleman from New York [Mr. WADSWORTH] said that he was speaking in a reminiscent mood, saying he had discussed this same matter for a number of years, and this recalled to my mind another matter that is of vital importance today, I believe, which I have discussed in other years.

In the heyday of 1926-29 I discussed on the floor of the House the question of credit inflation. I was violently opposed to unwarranted installment buying—credit inflation in its worst form. Now, we are coming out of the depression and we are again getting into the old habit. If you will listen to your radio any morning between 7 and 8 o'clock in Washington you will find that almost all the time is taken up with sales talks—talk like this: "Buy our system of liquid heating; have it installed in your house today; no down payment; payments begin in September; enjoy the modern heat now."

Of course, you must own your own home and the lien attaches and you must pay later.

Another one, "Buy anything in this store for \$1 down; you enjoy the merchandise; pay when you get ready and let us do the worrying."

The capsheaf was called to my attention by an article in the papers a day or two ago. Of course, we all realize it is necessary and advisable to buy necessities on the installment plan. When we buy the home, when we buy the things that are necessary, we sometimes must get trusted, but I do not believe that ever before in the history of the Republic political banquets have been paid for on the installment plan. [Laughter.]

In the District of Columbia the Democrats are holding two groups of banquets this evening—the minor and the major. The minor banquet is to be under the auspices of the Young Democrats, and the First Lady of the land is to be the star attraction. The major banquet is to be at the Mayflower, and the President of the United States is to be the main attraction.

We are advised by the press that Democratic Government clerks who are on the Federal pay roll and who hold jobs under the Government are expected to attend.

This is not the exact language, but this is the only inference that can be drawn. They are expected to attend and the terms of payment are what I am interested in. The first payment was \$5 down in cash on Federal pay day last Monday, according to the statement of the organization responsible for the banquets, and then these poor clerks, who are expected to attend and pay \$10 for the privilege of sitting and listening, are to have \$5 taken out of their next pay-day check. This is the minor banquet. Then for the major banquet, many of our friends on the other side of the aisle—who are now smiling and who are expected to attend—the price is to be \$100 a plate and to be in good standing you are expected to be there. This is a case where deserving Democrats are taxed according to their ability to pay and if they do not have the cash they are to have the privilege of the installment plan; in other words, Government employees and you officials who cannot raise the \$100 to perform your duty in celebrating your recent victory, are to be permitted to pay \$25 down and then \$25 each monthly pay day, as the Government pays you, until you have taken care of your installment banquet. This is compulsory credit inflation with a vengeance.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Not now; I have not the time.

Another thing that is interesting about this credit innovation is that its purpose is to liquidate the debt of the Democratic National Committee. You know when the Republicans were in power, after 1918, we found a colossal

debt facing the people and it became our duty, as we conceived it, to pay off that debt and to reduce that debt and take the old mortgage off of our national farm, and we proceeded to do this. We did it, as the good Speaker who now faces me, will recall—and I think he went along and helped—by reducing the national debt by one billion dollars a year for 10 years.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield, inasmuch as he has referred to me?

Mr. MICHENER. To the Speaker, always.

Mr. BANKHEAD. We paid it off in installments, did we not? [Laughter and applause.]

Mr. MICHENER. Yes; that is just the point, Mr. Speaker. We paid it off in installments, but we paid it off, and did not refinance it or leave the burden on someone else to pay. While we paid it off in installments—listen, Mr. Chairman—we extinguished the debt. We did not just change the form of the obligation. After these banquets the Democratic National Committee will be relieved, but those compelled to pay on the installment plan must pay in the future.

So tonight these banquets, we are told, are for the purpose of paying off the national Democratic debt of over \$300,000. And I again call the attention of our splendid Speaker and of the House to the fact that these banquets are not paying off that national debt tonight, they are refinancing it, you are taking the burden off the shoulders of the National Democratic Party and placing that burden on the shoulders of Tom, Dick, and Harry, "deserving Democrats", who, in Washington at least, happen to hold many of their jobs because they are Democratic Party appointees.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Oh, I could not resist yielding to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Do I understand that the lamentations of my good friend from Michigan come from the fact that certain things that have happened do not permit him to enjoy a victory dinner tonight?

Mr. MICHENER. Of course, I regret that the Republicans were not victorious, however. I was offered a ticket. I could not afford \$100 to go to a Democratic banquet, and I have too good sense to borrow the \$100 for so useless a purpose, and I am not on the Democratic pay roll as an employee, and therefore I cannot be compelled to buy a \$100 ticket and pay \$25 down.

Mr. VINSON of Kentucky. And that is the reason the gentleman is in his present frame of mind?

Mr. MICHENER. The gentleman is opposed to unnecessary installment buying except for things worth-while. I am in my present frame of mind because I am opposed to the principle of credit inflation when it comes to making \$1,200 clerks kick in for a banquet to pay off the debt of a political party. Just think how those poor clerks will enjoy that "victory dinner", which must be paid for out of future pay checks. This policy is setting a very bad example. I made a speech here along in the twenties against installment buying.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. MICHENER. Because of that speech I was taken to task by one of the factories in my own State that happened to be selling automobiles at \$5 down and the rest when you get ready. I said then that we must pay some time. Undoubtedly that kind of buying contributed much to the depression. Now we have a new and most insidious form of spending for useless and nonproductive things. You cannot enjoy just because you can borrow. The pay day is coming. You must eventually pay for all of these things, and I say in conclusion that it would be far better for our good friends now in power, my good Democratic friends, if they paid off their national party debt incurred during the last campaign, without imposing upon the Government clerks in Washington and asking them to take \$10 or \$100 tickets which they cannot afford to take—and when I say cannot afford to take,

I say that no employee of the Government can afford to pay \$10 or \$100 for the privilege of sitting in a Democratic hallelujah meeting, if he has to go in debt for the privilege. The same would be true if these were Republican meetings.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. Yes; I yield to the former Governor of Oregon.

Mr. PIERCE. Speaking of paying off the debt when the Republicans were in power, did that pertain to the last years of the Hoover administration?

Mr. MICHENER. I think the gentleman must have misunderstood me. I did not make any such statement.

Mr. PIERCE. I understood the gentleman to say they paid off the debt at the rate of a billion dollars a year while the Republicans were in power.

Mr. MICHENER. Oh, the gentleman refers to the reduction of the national debt from \$26,000,000,000 in 1919 down to \$16,000,000,000 in 1930.

Mr. PIERCE. And then tell us about the last years of the Hoover administration. What happened then? Did not that administration increase the national debt three or four billion dollars?

Mr. MICHENER. Yes; there was some increase.

Mr. PIERCE. And is it not true that no administration could have gone through the last 4 years without getting in debt, with the tremendous unemployment we had in this country, just as it was going into debt under the Hoover administration?

Mr. MICHENER. In all fairness, we were in a depression, we were in a slump; it was a world-wide depression; we were in the morning after the night before, and let us be frank about it. We had expanded credit. We had been on a spending spree after the war. The philosophy was to spend, not to save. We had done just the thing that I am inveighing against now.

We do not want a make-believe prosperity which, in fact, is not prosperity at all. Economy must in the end be the basis of lasting prosperity. You will read in the press tomorrow of the amount of party debt paid off by these \$10 minor, \$100 major banquets, but remember that the poor party job-holders who cannot afford to pay cash will still owe the debt. Banquets, fur coats, and automobiles are fine when we can afford them. Because our National Government is spending \$2 for every \$1 of income is no measuring stick for the rest of us. The pay day or the bankruptcy court is the inevitable end. It is all right to pay off political party debts by selling tickets to banquets, and by the same token it is all wrong to sell the tickets to those who cannot afford it, and who must mortgage next month's pay check, which is needed to buy things for the family.

Mr. HOUSTON. Will the gentleman yield for a question?

Mr. MICHENER. I yield.

Mr. HOUSTON. If that is true, it is unfortunate, of course, that we have to take the money from the clerks, but we do not have any Liberty Leagues on our side.

Mr. MICHENER. Of course it is unfortunate to coerce the employees, and I am so glad the gentleman agrees with me that it is unfortunate. I would that he could bring this same feeling to the chairman of the Democratic National Committee. I am sure that my good Democrat friend the gentleman from Kansas would like to avoid these assessments of clerks, and in this particular we agree exactly. [Laughter and applause.]

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. FLANNAGAN. Mr. Chairman, I want to talk to you about the President's message on reformation of the Federal judiciary. In doing this I want to brush the rubbish aside, chloroform the spirit of hysteria that special privilege has

turned loose in the land, and deal with the subject in a practical and sensible manner.

To begin with, I want to admit that I am not a constitutional lawyer in the sense of those who make a study of our fundamental law for the one and sole purpose of curbing human rights and shielding and protecting the property rights they may happen to represent, though I believe I know a great deal more about the true meaning and intent of the Constitution than these special pleaders.

And in the beginning I want to observe that charging me with trying to put a dictator in the White House, with attempting to overthrow our form of government, with preaching fascism or communism or any other kind of ism, will neither deaden my energies nor quiet my voice in my effort to uphold the hand of our President in the great fight he is waging in behalf of greater social and economic rights for the masses of America. My family history on both sides of the house is too deeply rooted in American soil for such base and slimy charges to affect my standing as an American.

Long before we ever thought of a constitution, though I believe the spirit of the constitution at the time was indelibly written upon their hearts and minds, my people fled from the tyrannies and oppressions of the Old World to find freedom in the bosom of the new. Long before we ever had a constitution my people staked their all on the altar of freedom, joined hands with the other colonists, and together they triumphed over the proud mistress of the sea, landed our country safely into national existence, and paved the way for the Constitution I love and revere. No one can charge that there is a drop of Tory blood in my people or that they ever refused to rally around the stars and stripes.

I make these preliminary observations to serve notice upon those who would impugn my motives that I brand any statement that I am not preaching Americanism, as I understand Americanism, as the ordinary American understands Americanism, the essence of which is freedom, freedom of science, political freedom, religious freedom, economic freedom, that governments derive their just power from the consent of the governed, equal rights to all, special privilege to none, as a dastardly slander circulated for the purpose of destroying that which they cannot answer.

I know that there are those who will not agree with the views I express. Some of them are my close friends, for whom I entertain the highest respect. In taking a contrary stand, I know that they are motivated by sincere and honest convictions. With them I have no quarrel. I only ask that they accord me the same right to express my honest and sincere convictions that I so freely accord them. And for them I pray that a kind Providence may open their eyes and let them look down the avenue of the years and see just what our national fate will be if we continue to live under a judicial oligarchy instead of a democracy of the people, by the people, and for the people.

And there are those who, I am persuaded, for base and sinister motives, are against the views I express, because they are the hirelings of the Bourbon-Tory class that exalt property rights and frown upon the recognition of the economic and social rights the masses in America, under the leadership of our great President, are today battling for. To them I say that it is written a haughty spirit goeth before a fall, and that they had better call a halt and use the compass of public opinion to see which way they are headed before they become the contrivers of their own ruin.

SOME THINGS TO KEEP IN MIND IN CONSIDERING THE PLAN

Before discussing the President's reorganization plan of the Federal judiciary let me first make a few observations which I hope you will keep in mind as we consider and analyze the plan.

(A) *Constitutionality of act often hinges on economic and social views of judges*

Judges are human. As human beings they have their likes and dislikes; they hold economic views, entertain opinions on social problems, and rarely, if ever, become political nonentities.

These likes and dislikes, economic views, social opinions, and political leanings depend, to a great extent, upon the

judge's background. From what section did he spring, in what atmosphere was he reared, who were his associates, what business and professional connections did he have before being elevated to the bench? Answer these questions and you know pretty well how the judge is going to view a case involving some social or economic problem.

If John Doe, a reactionary, is elevated to the bench, putting a prefix before his name, and calling him Judge John Doe, and robing him in a black gown will not in any way change his social, economic, and political views. He is still the same old John Doe entertaining the same old social, economic, and political views. In other words, putting a man in the Supreme Court does not mean that he has been reborn or regenerated, that henceforth he is a new man, capable of forgetting his past views on social, economic, and political questions, and in considering cases involving such questions will not let his past views and prejudices influence him, consciously or unconsciously, in construing the Constitution.

These 4-and-5 and 3-and-6 decisions we have frequently had in cases involving great social and economic problems clearly indicate, to my mind, that what I have said is true and that the trouble is not with the Constitution but with the judges themselves. It is generally known what the social and economic views entertained by the respective members of the Court are. Before going on the bench they were usually strong, outstanding men of conviction, entertaining definite and fixed opinions on most of the social, economic, and political problems. Their views are generally so well known that practically any layman, upon being informed of the social or economic question involved, can tell you how the Court will stand on the decision. This clearly shows that the judges in considering the case look at the constitutional question involved not dispassionately and with open minds but through the economic and social glasses they have been wearing since they became old enough to form definite and fixed opinions. I am not criticizing them for this, because they are only human, and that is the way human beings, consciously or unconsciously, act.

Now, do not become alarmed over the views I have expressed, because I can cite respectable authority to sustain them. Why, I can prove the truthfulness of these views by the Supreme Court judges themselves.

Let the record speak.

Chief Justice Hughes on one occasion observed: "We are under a Constitution, but the Constitution is what judges say it is."

The great Chief Justice in this frank observation is only partially correct. Recent decisions show that sometimes, at least, it is only what five of the nine judges say it is.

In the *Butler case* (297 U. S. 1), which hinged upon the constitutionality of the Agricultural Adjustment Act, commonly known as the A. A. A., Justice Stone, in a dissenting opinion, which was joined in by Justices Brandeis and Cardozo, said:

Courts are concerned only with the power to enact statutes, not with their wisdom. * * * For the removal of unwise laws from the statute books, appeal lies not to the courts but to the ballot and to the processes of democratic government. * * * The suggestion that it (the taxing power of Congress) must now be curtailed by judicial fiat because it may be abused by unwise use hardly rises to the dignity of argument. * * * Courts are not the only agency of government that must be assumed to have capacity to govern.

Which clearly shows that he thought the majority opinion was based upon fixed economic views and not because the Agricultural Adjustment Act contravened the Constitution.

Justice Harlan, in the case of *United States v. Harris* (106 U. S. 629), in his dissenting opinion, made the same indictment against the Court:

It is for Congress, not the judiciary, to say what legislation is appropriate. * * * The judiciary may not, with safety to our institutions, enter the domain of legislative discretion and dictate the means which Congress shall employ in the exercise of its granted power.

Chief Justice Taft, in the celebrated *Adkins case* (261 U. S. 525), which involved a minimum-wage law for the

District of Columbia, in a dissenting opinion upholding the constitutionality of the statute, said:

It is not the function of this Court to hold congressional acts invalid simply because they are passed to carry out economic views which the Court believes to be unwise or unsound.

Would it be possible to make a more clear-cut charge that the Court, in holding the act in question unconstitutional, did so not because the act contravened the Constitution but because the act promulgated economic views not entertained by a majority of the members of the Court?

Let me call just one more witness. He has already testified, but as he is so positive about the matter, permit me to recall him for further examination.

In 1933 New York State passed a minimum-wage statute based upon the Standard bill of the National Consumers' League, which attempted to meet the objections of the Supreme Court raised in the *Adkins* case. The act was tested and finally found its way to the Supreme Court (*Morehead v. New York*, 298 U. S. 587), which, on June 1, 1936, held the act unconstitutional. Justice Stone, upholding the constitutionality of the act in a dissenting opinion, said:

It is difficult to imagine any grounds, other than our own personal economic predilections, for saying that the contract of employment is any the less an appropriate subject of legislation than are scores of others, in dealing with which the Court has held that legislatures may curtail individual freedom in the public interest.

(B) *The Constitution flexible enough to permit economic and social views of judges to determine decisions*

Another thing we should keep in mind in considering the President's plan is that the Constitution is not a legal code spelling out in minute detail, thou shalt or thou shalt not do this or that. It is a declaration of fundamental governmental principles stated in broad and general terms. It was necessary, in order to perpetuate our Government, that broad and general terms be used so that the legislative branch of our Government, from time to time, can, by appropriate legislation, keep abreast with the thought and development of the times. It was worded so as to be flexible enough to meet changed conditions. This flexibility oftentimes permits the economic and social views of the judges to determine decisions.

Chief Justice Marshall said that the Constitution was—

* * * intended to endure for ages to come, and consequently to be adapted to the various crises of human affairs.

Justice Story said:

* * * The Constitution inevitably deals in general language. * * * Hence its powers are expressed in general terms leaving to the legislature, from time to time, to adopt its own means to effectuate legitimate objects, and to mold and model the exercise of its power, as its own wisdom and public interest shall require.

Now the legislative branch of our Government, most of the Members being fresh from the people, has usually realized that we live in a changing world and that in order to promote the general welfare of the people it is necessary that laws be passed, from time to time, to meet our changed social and economic conditions. The trouble has usually been caused by the social and economic views of many of the judges remaining static. From our past history it would seem that the social and economic views of many of our judges, like the laws of the Medes and Persians, changeth not.

(C) *No check on judiciary*

Now, just one other thing I want you to keep in mind in considering the President's plan of reorganization of the Federal judiciary:

Our Government is supposed to be a government of checks and balances, divided into three great divisions—the Executive, the legislative, and the judicial. As a practical proposition this assumption is only two-thirds correct.

The executive can be checked by the legislative branch, by the judicial branch, and by the people.

The legislative can be checked by the executive branch, by the judicial branch, and by the people.

But who checks the judicial branch? As a practical proposition, no one. They hold office during good behavior,

which means they hold on until worn out by old age or infirmities, and their salaries cannot be diminished during their term of office.

Let me give you respectable Supreme Court authority for the proposition that there is no check on the judicial branch of our Government.

In the *Butler* case, involving the constitutionality of the A. A. A. legislation, Justice Stone frankly admitted that—

The only check upon our exercise of power is our own sense of self-restraint.

Most of the maladjustments that we find in our social and economic life today are, in my opinion, due to the fact that under our system of government there is no effective way of checking the Supreme Court.

The judiciary has over the years, little by little, usurped Executive power, legislative power; yes, the very power of a free and independent people to regulate and govern their own social and economic affairs, until we wake up in the good year 1937 and find that while we profess to live under a government of, by, and for the people, which we are pleased to call a democracy, in truth and in fact we are living under a judicial oligarchy.

We have reached the point the mice reached when they woke up to the fact that for their own protection the cat should be belled.

But the mice were confronted by two problems. So are we. The problems were: Who to bell the cat? How to bell the cat?

The President has figured out a way to constitutionally—yes, I want to do it constitutionally—bell the cat. Under his plan it is up to the Congress to do the belling. The task should not be shunned by the Congress. As I see the matter the Congress should take peculiar delight in wresting from the judiciary the legislative powers it has unlawfully assumed—powers which, under the Constitution, were vested in the Congress and the Congress alone. If we fail we are inviting the people to lose faith in the ability of their legislative representatives to preserve the powers vested in the legislative branch of the Government by the Constitution. If we fail, we are admitting that we are unable to preserve the rights specifically delegated to us under the Constitution. I am unwilling to make such an admission.

I have called your attention to these three facts, namely: (1) That the constitutionality of acts of Congress often hinge upon the social and economic views of the Court and that judges rarely ever change their social and economic views; (2) that the Constitution is flexible enough to permit this to be done; and (3) that there is in truth and fact no effective check on the Supreme Court, in order to impress upon you the necessity, until we can properly check their powers by a constitutional amendment, of putting younger men on the bench whose social and economic philosophies are more in harmony with the heartbeats of the American people.

ROOSEVELT'S REORGANIZATION PLAN

Now let us examine and analyze the plan of reorganizing the Federal judiciary submitted by the President to the Congress.

(A) *Constitutional*

To begin with it is constitutional. In belling the cat he is staying within the Constitution. Not even the Liberty League, the Manufacturers Association, our Virginia Jeffersonian Democrats, or the most ribald opponent, will charge that the President is not performing a constitutional operation. That is more than can be said, in my opinion, of the operations of the Supreme Court on labor and the farmers and small-business men. And that is more than can be said, in my opinion, of some of the delicate operations the Supreme Court has performed in construing the "due process" clause, originally intended to protect human rights, to be the bulwark behind which special and corporate interests hide to strengthen and extend property rights, oftentimes even at the expense of human rights.

There seems to be no criticism of the proposals contained in the President's reorganization plan that Supreme Court judges should be pensioned upon resignation or retirement,

that the Supreme Court needs a proctor, and that the Federal Government should have the right to intervene in all cases involving constitutional questions.

The proposal in the President's recommendations that has brought down upon his head the wrath of a certain class in this country, largely the privileged class, is that the Congress provide for the appointment of an additional Justice for each Justice who has reached the age of 70 and refuses to resign, provided, however, the size of the Supreme Court does not at any one time exceed 15.

(B) Respectable authority for the plan

Now, there is respectable authority for this procedure.

Let the record speak:

In 1869 the House of Representatives passed a bill, almost identical in terms with the President's proposal. The only thing that kept the bill from becoming the law of the land was the fact that it failed of passage in the Senate.

Justice McReynolds, whose economic and social views are so reactionary that he has not upheld the constitutionality of a single piece of New Deal legislation, was once Attorney General of the United States. At the age of 51, and while still Attorney General, he had this to say:

I suggest an act providing when any judge of a Federal court below the Supreme Court fails to avail himself of the privilege of retiring now granted by law that the President be required, with the advice and consent of the Senate, to appoint another judge, who shall preside over the affairs of the court and have precedence over the older one. This will insure at all times the presence of a judge sufficiently active to discharge promptly and adequately the duties of the court.

If such a recommendation was good for all Federal judges below the Supreme Court, why, may I ask, is it not good for Supreme Court judges? Surely, holding the high position they do, they should be as mentally and physically alert as district and circuit judges.

Justice McReynolds is now 75 years of age. He is still on the bench. So far he has failed to take the medicine he prescribed in his younger days for the old and infirm. Far be it from me to criticize him. Such, you know, is the way of the flesh.

President Taft, who afterward became Chief Justice Taft of the United States Supreme Court, once published a book under the title *Popular Government*, in which he approved in part, at least, Mr. Roosevelt's plan.

Said the Chief Justice:

There is no doubt that there are judges at 70 who have ripe judgments, active minds, and much physical vigor, and that they are able to perform their judicial duties in a very satisfactory way. Yet in a majority of cases when men come to 70 they have lost vigor, their minds are not as active, their senses not as acute, and their willingness to undertake great labor is not so great as in younger men. * * *

In the public interest, therefore, it is better that we lose the services of the exceptions who are good judges after they are 70 and avoid the presence on the bench of men who are not able to keep up with the work or to perform it satisfactorily.

(C) Not using high-handed methods

The President is not using high-handed methods, as many great Presidents in the past have done. The President's proposal, in the light of what some of the Presidents have done, is mild and timid.

Let the record speak:

Thomas Jefferson, you know, made the Louisiana Purchase without constitutional authority. Moreover, as soon as Jefferson was sworn in as President he went after the Federal judiciary. An act of Congress was immediately passed unbenching Adams' "midnight judges." Fearing that the Supreme Court would declare the act unconstitutional, he went further and got the Congress to pass an act suspending Supreme Court sessions for 14 months. President Lincoln got around the Supreme Court decision in the Dred Scott case by simply ignoring it. He just went ahead in spite of this decision and issued the Emancipation Proclamation. Those who followed had to amend the Constitution to make the proclamation constitutional. On another occasion Chief Justice Taney called upon President Lincoln to release a

prisoner at Fort McHenry. Lincoln answered with a proclamation, in which he said, among other things:

The judicial machinery seems as if it had been designed not to sustain the Government but to embarrass and betray it.

The prisoner remained in the fort. Andrew Jackson, when Chief Justice Marshall handed down the opinion in *Worcester* against State of Georgia reversing a decision of the Georgia Supreme Court, said:

John Marshall has handed down his decision; now let him enforce it.

The decision was never enforced.

(D) What the President is trying to do

Now, what the President is attempting to do, sifted of the chaff, is simply this:

The President is only trying to relieve, in a constitutional way, an intolerable situation. He is not trying to change the Constitution, or curb in any way the power of the Court, or strip the Court of appellate jurisdiction. He is trying to keep special interests from using the Court to transform an inglorious defeat at the polls into a glorious victory by judicial fiat. He is trying to keep four or five judges, hang-overs from a social and economic era that commenced some years ago and ended with Hoover, from lawing on the people social and economic views which were repudiated by overwhelming majorities in the elections of 1932, 1934, and by every State in the Union in 1936 but two. The people have spoken, and he is anxious to have their thrice-expressed verdict translated into laws that will bring about the social and economic reforms they demand. He is trying to make way for an opportunity to place upon the bench men more in sympathy with the march of time, with our social and economic growth, with the heartbeats of America.

Other great Presidents have done the same thing, and they did not lessen their greatness in doing it.

Let the record speak:

Theodore Roosevelt was frank and open about the matter, and when Holmes was under consideration for the Supreme Court wrote Senator Henry Cabot Lodge, under date of July 10, 1902, as follows:

Now I should like to know that Judge Holmes was in entire sympathy with our views, that is, with your views and mine and Judge Gray's views—for instance, just as we know that ex-Attorney General Knowlton is—before I would feel justified in appointing him.

Upon being assured by Senator Lodge that Holmes was in sympathy with their views on the Constitution, Roosevelt elevated Holmes to the Supreme Court.

Lincoln, in order to strengthen the chances that the acts passed during his administration would be held constitutional, increased the Court from 9 to 10. In appointing Chief Justice Chase, Lincoln said:

We wish a Chief Justice who will sustain what has been done in regard to emancipation and the legal tenders.

But when Andrew Johnson came in, Congress, fearing he would get a chance to fill a vacancy on the Court, reduced the size of the Court from 10 to 7 by providing that no vacancy should be filled until the Court reached seven. The Legal Tender Acts were burning questions during Grant's administration. In filling two vacancies on the Court he appointed judges known to be in favor of the constitutionality of the acts. What happened? The very day he appointed these judges the Supreme Court held the Legal Tender Acts unconstitutional in a 5-to-3 decision. The cases were reargued, and a few months later the Court, by the vote of the two Grant appointees, held the acts constitutional. And it is common history that President Adams packed the courts with Federalists in order to curb the liberal Jefferson. In 1800, Thomas Jefferson, who had been in disagreement with the Court for years, and who had been the Court's most severe critic, won a sweeping victory over Adams, the Federalist candidate. The Supreme Court issue played an important part in the election. Between the election in November and the inauguration in March, President Adams, the defeated candidate, pushed through

his "lame duck" Congress an act creating 16 new circuit courts and filled the new judgeships with "lame duck" Federalists.

Moreover, before the inauguration he secured the resignation of Chief Justice Ellsworth and appointed in his place John Marshall, arch foe of Thomas Jefferson. Thus, although the Federalists were defeated at the polls, they were able, through the judiciary, to defeat the liberal doctrines of Jefferson for many years to come. The same thing is going on today. The Bourbons and Tories have been thrice defeated at the polls. Today through a packed Court—and I use the word "packed" in no disparaging sense, but simply to convey the idea that a majority of the judges entertain the social and economic views held by the President appointing them—which they are turning heaven and earth to keep packed, they hope to defeat the social and economic views of President Roosevelt for many years to come.

If we believe in permitting the personal economic predelections of the Supreme Court judges to thwart the will of the people we should turn the President's proposal down. If, on the other hand, we believe the will of the people, as expressed by their ballots, is supreme and should, as far as possible, be translated into law, then we should stand by the President.

There is nothing in the Constitution, if construed by liberal men in sympathy with our present social and economic needs, that would prohibit the people from the enjoyment of practically all of the social and economic legislation passed by the Congress during the Roosevelt administration.

ANSWERS TO SOME OF THE OBJECTIONS RAISED

Now, let me answer some of the objections that have been raised to the proposal of the President.

(A) Amendment

Oh, they say Mr. Roosevelt should advocate an amendment to bring about his social and economic reforms. Well, while I think a liberal and present-day construction of the Constitution will accomplish the purpose, I would not be averse to an amendment spelling out the needed constitutional rights but for the fact that an amendment is a slow and cumbersome process. And let me state that many of those now talking about proceeding by amendment, now advocating an amendment, were, prior to Mr. Roosevelt's proposal, just as bitter in their denunciation of those advocating an amendment as they are against the reorganization plan. They do not want an amendment. What they are trying to do is to kill the reorganization plan by advocating some other process that it takes time to accomplish. They are simply using the amendment process as a stalemate to the reorganization plan.

But let us examine the amendment way of solving our troubles. As a practical proposition, in all likelihood, it will not work. We need present relief, and every fair-minded man knows that there is no hope for present relief if we resort to an amendment.

In order to amend the Constitution the amendment has to be submitted by the Congress to the States and ratified by three-fourths of the States. On a controversial amendment, such as would have to be submitted, the Bourbons and Tories could baffle the matter along for years. Thirteen States, comprising less than 3 percent of our population, could defeat ratification.

Let the record speak as to what happens to controversial amendments, especially when they are opposed by the privileged class:

On April 8, 1895, the Supreme Court, by a divided decision, declared the income-tax law of August 27, 1894, unconstitutional. An amendment was submitted by the Congress to the States. The privileged class, although we now recognize the income tax as the fairest of all tax laws, bitterly opposed the amendment as being a socialistic assault upon capital. Eighteen years later, after a bitter fight, the income-tax amendment was finally ratified by the States.

The Supreme Court, by a divided decision, held the child-labor law unconstitutional. The Congress on February 13, 1924, submitted to the States an amendment designed to

give the Congress specific power to regulate and prohibit the working of children. This humane amendment has been bitterly opposed by the privileged class, many of whom have been able to swell their coffers by working unfortunate girls and boys for long hours at a pauper wage, and today, 13 years later, we find that the amendment has only been ratified by 26 States.

Any amendment submitted now would travel the same road.

Oh, but I hear someone say that the thirteenth, fourteenth, and fifteenth amendments, known as the war amendments, were controversial amendments but were ratified by the States in 1 and 2 years after being submitted. Yes; that is true. But, remember, in many of the States it was a shotgun ratification.

(B) Dictator

I frequently hear the charge of dictator; that Mr. Roosevelt is attempting to become a dictator. Such a slimy charge but shows the length that the Bourbon and Tories will go in their effort to defeat all social and economic legislation designed to curb the avaricious and improve the condition of the masses in America.

Some of the opponents, unable to present valid and substantial reasons why the President's plan should not be put through, in their desperation resort to the old trick of frightening the people. If you are unable to resort to logic, then resort to fear. Well, with a record behind him such as the President has, it is going to be mighty hard to frighten the people into the belief that he wants to be a dictator.

But I will tell you what the people are afraid of: They are afraid the Supreme Court, if something is not done at once, will destroy all that has been and will be accomplished under the leadership of Mr. Roosevelt for the masses here in America; and they know if this should happen that the Tories and Bourbons will again assume the dictatorial powers they enjoyed before Mr. Roosevelt's advent into the national political arena.

Dictators, you know, are not born when the people have confidence in their governmental leaders. When leadership is actually functioning and attempting to bring relief to a people there is no danger of a dictator. Dictators spring into being when self-government breaks down, when the people are pressed to the wall, lose faith and confidence in their government, and become desperate, such as were the conditions back in the days of Hoover. If Mr. Roosevelt ever entertained—and, of course, he did not—playing the role of a dictator, he missed a golden opportunity in not grasping the scepter back in the early days of his administration. After the Hooverization the people would have turned to a dictator or anyone else who they thought could bring relief. Why, the Bourbons and Tories that are after him today were so badly frightened back in those days that they were petitioning the Congress to give the President dictatorial power.

But if the plan goes through, how, may I ask, will the change convert the President, who is one of our most democratic Presidents, and a great lover of the ordinary people, and a great believer in the doctrine that human rights are higher and more sacred than property rights, into a despot with a mailed fist? The very thought that such a change could or would take place is imbecilic. He is not asking that the Constitution be changed or that any of the checks provided for under the Constitution be removed. All that he is asking is that younger men, more familiar with the trend of the times, more in sympathy with the economic and social views that have been stamped by the approval of the ballots of a great majority of our people, be placed upon the Court.

Dictatorship! Those who are so violently opposed to the President's plan in order that they may retain the status quo had better beware lest in their zeal to thwart the will of the people they bring about a condition in this country that breeds dictators.

Dictatorship! Why, what does the opposition offer in lieu of the fanciful dictatorship they profess seeing in the borning?—The status quo, what we have today, judicial oligarchy

which is certainly as dangerous, if not more so, than a real dictatorship.

(C) *State rights*

Then we hear the cry that if the President's plan is approved it will enable him to put through legislation that will destroy the doctrine of State rights.

And, as strange as it may seem, we hear the State-rights doctrine preached by the Republican Party when, as a matter of fact, everyone knows that the Republican Party during its long history has never been a believer in the doctrine. Their right-about-face has been caused by their desire to defeat the President's program.

Now, as a matter of fact, we have largely outgrown the doctrine of State rights. The sooner we realize this the better off we are going to be. The doctrine was first invoked to protect the people, and in a sparsely settled country such as was ours when the Constitution was adopted and for many years following, there was justification for the doctrine. It worked. Today, due to our complex civilization, brought about chiefly through the increase in our population and invention, the doctrine of State rights, in many cases, instead of accomplishing its original purpose, is a hindrance to our further social and economic development.

While I believe as firmly as ever in preserving the doctrine as far as possible, I realize that in many instances it has outlived its day and will no longer serve a useful purpose. Whenever the preservation of the doctrine of State rights, as sacred as it is to many of us, depends upon sacrificing the general welfare of any particular class, such as the farmers, those who labor, and those who are engaged in the coal industry, we should be willing to surrender the doctrine in the public interest and for the general welfare of those involved.

Take agriculture. Years ago when our country was sparsely settled, when we consumed what we produced and were not vexed with surpluses, there might have been some justification for saying that the farm problem was a local problem to be dealt with by the respective States. But in this age when the Supreme Court tells us, as it did in the *A. A. A.* decision, that the farm problem is a local problem to be dealt with by the 48 separate States, we begin to wonder if the Supreme Court really understands the farm problem. The farm problem is a national problem and can only be effectively dealt with by national legislation; and you cannot change the nature of the problem by judicial fiat.

What I have said with respect to agriculture applies with equal force to labor and the coal industry, as the Supreme Court has held the coal industry is a local problem to be dealt with by the respective States, and, seemingly, that the labor question is out in "no man's" land, wherever that is, and that under the Constitution it cannot be effectively dealt with by either the States or the National Government.

(D) *Packing the Court*

The leading newspaper in my State, which has been in sympathy with most of the New Deal legislation, thinks that the—

Enlargement of the Court is dangerous * * * unless the people of this country wish to alter their form of government.

The issue, according to this paper, is—

Whether the system of checks and balances between the executive, the legislative, and the judiciary shall be retained, or whether it shall be abolished.

Now, there is nothing novel or new in either enlarging or in reducing the membership of the Court. The number of judges on the Supreme Court has been changed from time to time. The Court was established in 1789 with six members. Its members were reduced in 1801 to five. In 1807 the members were increased to seven. In 1837 to nine. In 1863 to 10. In 1866 the members were reduced to seven. In 1869 the members were increased to nine, where it has since remained.

If it took nine judges in 1869, when our population was about one-third of what it is today, to dispatch the business of the Court, surely 15 members would not be considered an unreasonable number today.

But, of course, the fear the paper had in mind was the fear we have heard expressed every time there has been a change in the number of judges on the Court. Rightfully or wrongfully, every time there has been a change, the cry has gone up that the Court was being packed, and in doing this we were destroying our system of checks and balances and therefore undermining our form of government. Now, a sufficient answer to this is the fact that in spite of the six changes that have been made in numbers, and in spite of the hysteria each change has caused and the ugly charges that have been hurled on each occasion, our democracy has marched on.

But what do you mean by packing? If the word is used in the sense that the Court will be packed by the President and the Senate like a crooked lawyer would pack a jury or a crooked gambler would pack a deck of cards, there would be well-grounded reasons for fear. But the tongue that would give voice to such a dastardly charge against the President or the Senate should be—and I hope will be—paralyzed while the thought is still in the forming and before it reaches the stage of vocal expression.

But if it is used in the sense that the President and the Senate, not unlike other great Presidents and Senates in the past, are only anxious to see that those who interpret our laws are in sympathy with the spirit and thought of the times, there can be no well-grounded reasons for fear.

And there are those who state that no President should have the power to appoint six additional Supreme Court judges; that this is too much power for any one man to have. As a general proposition, this is true. But remember we are confronted with an unusual situation that should be met in a practical way. And also remember that while it may be dangerous, as a general rule, for so much power at one time to be vested in the President and the Senate, that it is also a dangerous thing for five men, no matter how learned, no matter how circumspect, to hold in their hands the destinies of 125,000,000 people. And especially is this true when the five men happen to be the representatives of a past economic and social age and their personal predilections will retard our further social and economic development.

Also remember that Presidents in the past have appointed as many if not more Supreme Court judges. George Washington appointed 12 members to the Supreme Court, Jackson appointed 5, Lincoln appointed 5, Grant appointed 4, Harrison appointed 4, Taft appointed 5 and elevated still another to be Chief Justice, Harding appointed 4, and Hoover appointed 3. So far President Roosevelt has not appointed a single member. If his proposal goes through and he is called upon to appoint the maximum number possible, which is six, it would be one less than were appointed under Harding and Hoover. I certainly believe the American people, without entertaining the least fear, are willing to give Mr. Roosevelt the right to appoint as many judges as President Harding and President Hoover put together.

(E) *What would Jefferson do?*

The so-called Jeffersonian Democrats, many of whom know very little about the teachings of the man they profess to follow, are, in rhetorical phrases, asking, What would Jefferson do? Then they proceed to draw upon their vivid imaginations and answer their own question by definitely and positively placing Mr. Jefferson against the President's plan to reorganize the Federal judiciary. These fellows, you know, are the possessors of vivid and fantastical imaginations that closely border on political delirium tremens, otherwise they could never conjure up a kinship between their political philosophies and the philosophies of government preached by Thomas Jefferson. If Mr. Jefferson went to heaven—and I feel quite sure he did—every time he hears one of these Jeffersonian Democrats talk I know he has a hard time deporting himself in a manner befitting the company of his present associates. Oh, if they would only quit trying to act the part of the prophet by prophesying what he would do and, for a season at least, would act the part of the student

and find out what he actually did their views would be entitled to more weight.

Everyone familiar with American history knows that the high-handed methods of the Federal judiciary played an important part in electing Jefferson, who was the severest critic of the Federal courts, President in 1800. And everyone familiar with our history knows there is no kinship between Jefferson and the reactionaries who are fighting under the false banner of the Jeffersonian Democrats. Why Chief Justice Marshall not only regarded Jefferson as a radical but as an "absolute terrorist." In a letter written by Marshall to Charles Pickney the very morning Jefferson was sworn in as President he said:

The Democrats are divided into speculative theorist and absolute terrorist. With the latter I am disposed to class Mr. Jefferson.

Mr. Jefferson was so incensed over the opinion of Chief Justice Marshall in the case of Marbury against Madison that he said:

If this opinion be sound, then, indeed, is our Constitution a complete felo-de-se. For, intending to establish three departments, coordinate and independent, that they might check and balance one another, it has given, according to this opinion, to one of them alone, the right to prescribe rules for the government of the other, and to that one, too, which is unelected by an independent of the Nation. The Constitution, on this hypothesis, is a mere thing of wax in the hands of the judiciary which the Judges may twist and shape into any form they please.

Upon retiring from the Presidency, Jefferson wrote to Judge Tyler, in part, as follows:

We have long enough suffered under the base prostitution of law by party passions in one Judge and the imbecility of another. In their hands the law is nothing more than an ambiguous text, to be explained by their personal malice.

In other letters written by Jefferson he expressed these views:

You will have a difficult task in curbing the judiciary in their enterprise on the Constitution. The judiciary, if rendered independent and kept strictly to their own departments, merits great confidence for their learning and integrity. But it now appears we have no law but the will of the Judge.

The great object of my fear is the Federal judiciary. That body, like gravity, everlasting, with noiseless foot and unalarming advance, gaining ground step by step, and holding what it gains, is engulfing insidiously the special government into the jaws of that which feeds them.

We have seen, too, that, contrary to all example, the Judges are in the habit of going out of the question before them, to throw an anchor ahead, and grapple further hold for future advances of power.

This member (the Court) of the Government was at first considered a most harmless and helpless of all its organs. But it has proved that the power of declaring what the law is, *ad libitum*, by sapping and mining, slyly and without alarm, the foundations of the Constitution, can do what open force would not dare to attempt. All know the influence of interest on the mind of man and how unconsciously his judgment is warped by that influence.

Knowing that religion does not furnish grosser bigots than law, I expect little from old Judges.

It is a very dangerous doctrine to consider the Judges as the ultimate arbiters of all constitutional questions. It is one which would place us under the despotism of an oligarchy. The Constitution has erected no such tribunal, knowing that to whatever hands confided, with the corruptions of the time and party, its members would become despots. It has more wisely made all the departments coequal and co-sovereign within themselves.

If Jefferson is the witness upon whom the opponents to the President's plan rely, they have, in the language of a famous Commonwealth's attorney in my section, who, when a witness called by him proved to be adverse, dismissed him with the laconic statement, "The sheriff evidently got him out of the wrong room."

(F) Immoral

There are those who even go so far as to charge the President with immorality in advocating a reformation of the Federal judiciary. Is it immoral to do a thing in a constitutional way? Remember all the President's recommendations are within constitutional limitations. Since when, may I ask, has it become immoral to resort to constitutional proc-

esses in reforming the judiciary? Let us be frank and honest about the matter; if any act of immorality has been committed, it has not been by the President but by the Court itself in disregarding the wishes of the people on social and economic problems as thrice expressed by their ballots, as enacted into law by their chosen representatives, and substituting therefor, in the language of Justice Stone, their "own personal economic predilections."

WHOSE CONSTITUTION IS IT, ANYWAY?

May I ask, Whose Constitution is it, anyway? Let us examine the instrument itself and see if any light is thrown on the subject. We will not have to read very far. The first three words reveal its ownership. "We the people"; yes, that is the way it begins, declaring in the very beginning its paternity. Yes; it sprang from the people, the greatest of their political offsprings, and may it please God to see that it is ever construed so as to promote the general welfare of those who gave it birth.

Oh, but let us read a little further, the whole preamble, and find out what "we the people" had in mind when it was established. It will tell the whole story. Listen:

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States.

May I ask again, Whose Constitution is it, anyway? Yes; it is the Constitution of the people. Under it, if rightly construed, its protecting cloak falls over the mansions of the rich, the hovels of the poor, the cells of the unfortunate. Under it, if rightly construed, the rich are protected in the enjoyment of their possessions, the farmers in the enjoyment of their acres, and labor in the enjoyment of honest toil. Under it, if rightly construed, the rich with their millions are unable to purchase a single ounce of justice or a single additional liberty that the poor cannot receive free of charge.

But, I am constrained to ask, Is the Constitution as at present construed accomplishing the high purposes set forth in the preamble? Is it? I am not asking you to take my word. But I beseech you to go ask the farmer, the small businessman, those who labor. Yes; go and ask the great masses here in this country. And with a voice containing but a few discordant notes they will answer, "We cried, and our supplications were heard by our President, acted upon by our duly chosen representatives, but our judiciary solemnly proclaimed that remedial legislation passed by the Congress at the instance of the President designed to insure our 'domestic tranquility' and promote our 'general welfare', to hold safe the social and economic progress we have made, was not vouchsafed to us under the great charter law of the land we love."

These are facts, and you cannot wipe them out by hollering dictator, by imputing sinister motives to the President, and wrapping the Supreme Court in the mantle of holiness.

These are facts that cry for redress, that demand action, and the only way you can wipe them out is by recognizing that the Constitution is not a dry, dead parchment but a living instrument whose flexible provisions should be adopted, to use the language of Chief Justice Marshall, "To the various crises of human affairs."

Democracy is a living organism, and its perpetuity depends upon its growth and development over the years. I would shudder for the fate of our descendants if I thought that our Government would ever become static. If it does, the end of the Republic is in sight.

Mr. UMSTEAD. Mr. Chairman, I yield to the gentleman from Oregon [Mr. PIERCE] such time as he may desire.

Mr. PIERCE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD on public ownership of power.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

PUBLIC OWNERSHIP AT THE CROSSROADS

Mr. PIERCE. Mr. Chairman, full well do I realize that I am not an expert on the theory and practice of public ownership. My contribution to the discussion, in order to be

of any value, must be the story of some of my own experiences through which I have become convinced that the only solution of the problems of the utilities and great natural monopolies lies in public ownership. These experiences and observations cover activities of over a half century in the far West and the Pacific Northwest. I ask your pardon for the oft-repeated pronoun "I" which must be used as I relate the story of my education in this matter through years in public life as State senator, Governor of Oregon, and now in my third term in Congress. Some knowledge of the background of my experience in private life will also shed light on other reasons for convictions, and the influences which have brought me to the conclusion that we must seek to bring about public ownership, if we are to be successful in our great governmental experiment. In my business life I have been influenced by my training and experience as a lawyer, practicing over a period of 10 years; by the struggles incidental to farming on a large scale, producing cattle and wheat, which made me a shipper and user of transportation; and by a brief but vivid experience as builder and operator of an electric power plant. All along the line of travel I have encountered obstacles to be overcome because governmental units had not asserted the right, the fundamental right, to own and control natural monopolies. Here in Washington, for the past 4 years, I have encountered the same obstacles. I find the same players at the same old game, on a slightly enlarged scale. In all the battles the face of the enemy is the same.

I live in a section of the United States where this subject is now constantly discussed because of the building of the great dam on the Columbia River at Bonneville, and an even greater construction at Grand Coulee. Our public activities are now centered on legislation which shall hold the power generated at Bonneville so that it will be operated and controlled wholly by the Federal Government. We desire the widest possible use and the utmost benefit for our people from this project, and we are determined that it shall not become just another asset of the private utilities. We of the Pacific Northwest have had examples of successful public ownership in the operation of several municipal power plants in the States of Washington and Oregon, notably in Tacoma and Eugene.

REASONS FOR MY BELIEF IN PUBLIC OWNERSHIP
Powerful monopolies a corrupting influence

In my opinion, the removal of the influence which private monopolies now exercise over legislative bodies will be as beneficial to public life as was the removal from those legislative bodies of the election of United States Senators. The State of Oregon initiated this important phase of the popular government movement which has long been established among us through the important seventeenth amendment. Sometimes popular government does fail to function, but we have the machinery and we can use it with swift certainty when we learn that we have been fooled by some group by means of publicity and propaganda or by secret manipulations much more difficult to meet. Oregon was the first State to adopt popular election of Senators, and I was part of that fight, so I know why it was needed and about how hard it will be to remove one other great evil influence which sometimes determines the actions of legislative bodies. I was in public life in Oregon when it was common practice to attempt to buy members of the legislature just as bags of peanuts are bought. These purchases were generally made in anticipation of senatorial contests. Senators were practically auctioned off. On March 4 of this year, this very day, it is 40 years since Oregon lost one of its United States Senators for a considerable period because of just such a struggle, and the State had but one Senator. In the previous election, one of the railroads was reported to have spent fully \$300,000 in the effort to control election of a United States Senator, and they lost by two votes, for which it was said they would have paid \$50,000 each. The next opportunity to secure a Senator is supposed to have caused another railroad to put \$225,000 into election expenses for candidates for the legislature. There were enough pledges to bring about the desired

election, but it was lost through one of the most brilliant and unique devices ever used in the long struggle for political control. The opposition prevented the house from organizing, through lack of a quorum, during the 40 days allowed for the session under the constitution. This was the first "sit-down" legislature on record. Out of all this corruption came the movement for direct election of United States Senators. Now that battle has been won, and there is a similar influence working in a quiet and more finished manner, but equally determined to control legislation in the interests of a particular group.

I repeat my conviction that we must demand public ownership, first, because of the necessity for removing the influence which monopolies and great aggregations of capital exert on public life and legislative bodies, otherwise we cannot begin to approach the ideal government and we cannot maintain our democracy. If anyone doubts the potency of this influence let him study the history of the struggle for holding company legislation in the Seventy-fourth Congress. Millions were spent in propaganda. The spread of stock, so shrewdly calculated over long years, had given these companies thousands of willing organizers who were diverted from the real wrongs and evils of the holding companies and made propagandists against public regulation. They feared the change which would have been so beneficial to all investors. We must remove this power gained through great corporate wealth and influence. We must recognize this as a fight for political decency as well as for economic justice.

Regulation impossible

My second reason for the conviction that public ownership is inevitable is the belief that regulation is utterly impossible. I had considerable experience with this when I was Governor of Oregon. I repeatedly asked the legislature to give me the power to appoint members of the public service commission which controlled the rates of utilities. That power was denied me because the utilities feared honest regulation and control. My successors were granted that privilege, and it has been seesawed through administrations, depending entirely upon safety to the utilities and their assurance that it would be perfectly satisfactory. The regulators have ceased to command the respect and confidence of the people. Private monopoly controls not only legislatures, and sometimes governors and public service commissions, but it often controls party organizations. We must change that system or submit to the tragedy and humiliation of losing the greatest governmental opportunity of history. We have failed to control monopoly, therefore, we must abolish it.

Proper taxation impossible

When I was Governor I was also member, ex-officio, of the State tax commission. I determined that a certain powerful utility, paying ridiculously low taxes, in no way commensurate with those borne by others, should be taxed on a valuation more nearly approximating that on which its rates were based. I shall never forget that tax fight. We accomplished something, but incidental to it was a proposed recall campaign directed against myself as Governor. It was one of the factors which accounted for my defeat in the campaign for reelection. Here again the spread of stock was a potent factor. I well recall an amusing incident in this connection. A bootblack said to his customer that he would not vote for that man Pierce for Governor because he would ruin "our company." Inquiry brought out the fact that the bootblack owned one share in that famous company, soon to be infamous when it became the property of a holding company which brought financial ruin and tragedy to investors. I cannot forget the newspaper advertisements with their promises of 7 percent and the enticing news that everyone could now participate in the large earnings. Many a banker saw to it that all the funds of widows and orphans and trusts under their control were invested in those stocks. Yes, the little fellows were let in, and then let down, but when they became stockholders they became citizens who objected to any proper taxation of utilities as well as to any proper regulation. It is practically impossible to get just taxes from the privately owned monopolies.

Economic loss

The only other reason for public ownership, which I shall take time to mention, is the loss incidental to the private control and ownership of utilities. Gradually we are learning that economic necessity will force Government ownership of natural monopolies, such as transportation and communication, and of natural resources. What a blessing it would be now to have the telephone and the telegraph operated as part of the Post Office Department. How remiss we have been in public duty in allowing private control of the radio. We had the fine example of England, we knew better, but we allowed this most important avenue of communication, this important agency for controlling public opinion, to become a private agency. Certainly we must have public ownership in this field.

The great natural resources of our country—how they have been wasted and exploited because we had not the vision, wisdom, and courage to assert ownership in the forests, the coal, and the oil fields; yes, and to insist upon conservation of the soil. The Nation is now beginning to realize the waste of exploitation of such resources.

One more illustration comes to my mind and I mention it at a venture because it is outside my actual experience. I throw it out for discussion by those better trained in economics. That is, the suggestion that if we had in the beginning controlled our oil resources, we should not have suffered so severely from the economic break-down, which, I assume, was partly caused by draining money from the whole country into one financial center. Now that the internal-combustion engine has revolutionized our lives, we fully realize that the Government itself should control oil and gas, and that control alone would be so potent financially that it would be comparable to the control of the gold reserves of the Nation. Oh, that the past generation had listened to those who begged for public ownership before its natural resources had made so many men rich and powerful.

OBJECTIONS AND FEARS INCIDENTAL TO PUBLIC OWNERSHIP
Public business versus private business

I should make it clear that I do not believe public ownership is a panacea for all our governmental ills. I do not think it will bring the millenium nor any approach to that happy state. I do believe it will remove from our political life the greatest source of public corruption, because of the concentration of power and money incidental to the operation of utilities. Usually the first argument against Government ownership is emphasized by pointing to Government corruption and incompetence, every exhibition of which is an argument against public ownership.

I am one who believes that public business is actually more honestly conducted than private business and more responsive to public opinion and control. I do not admit that public business is less efficiently operated than private big business. I am not one who stands in awe of the efficiency of big business. I think it largely an idle boast, contravened by the publication of revelations made during rate-making inquiries and congressional hearings and investigations. Certainly the results of such investigations have pointed to excessive waste and shocking dishonesty. Many millions of so-called investors could testify on this matter. I admit, however, their tendency to believe the statements of those who have confiscated their earnings and to trust them rather than to trust the Government. The reason for this inefficiency in big business seems to be greed, delegated responsibility, and the aforesaid shrewdly calculated spread of stock so that really conscientious small owners have no influence. If there were time, I should like to compare almost any great private business with the efficiency of our Postal Service. I believe that is a complete and perfect answer to those who claim that the public cannot successfully transact business in a large way.

Bureaucracy and the civil service

The civil service is right in theory, but it must be very much improved and very much modified before it can become a perfect instrument for furnishing the personnel for the public service. Bureaucracy I do fear. I detest it, as I encounter

it day by day in this National Capital. We can control it to a certain extent, though I believe we must avoid it by decentralizing in every possible manner. The only thing we can do is to insist upon improvement. We must have a different type of civil-service examination in order to test those who are applicants for administrative positions. This is vitally important, because the business conducted for the public, under a system of public ownership, must be administered honestly and intelligently and with a loyalty to the service. Governments are corrupt when powerful interests corrupt them for gain. Many of the evils incidental to bureaucracy will be eliminated when pressure of certain big-business groups is removed through Government ownership of utilities.

Government control not always successful

In the far West we are dependent upon great irrigation projects, which are under Government control. It has, for many years, been the stated policy of the Reclamation Service to give to the farmers on the irrigation projects the benefits of power generated in connection with the water supply. Over all these years there has been failure to put this policy into general operation. I know of one case in which farmers on a project were forced to sell the power for something like \$3,000, and it was immediately capitalized for \$400,000 by the private utility to which it was sold by the Government. In my own district certain farmers were forced by Government officials to sell their power rights for \$100,000, and these were immediately capitalized by the favored company for \$4,000,000, and all that section has been paying power rates based on this steal. Yes, Government officials sometimes betray their trust. I fear big interests have their tools in many Government buildings here in Washington. Unscrupulous people can pass civil-service examinations and sit in the places of authority. They may also be appointed to such positions through political patronage. I know all that; but I still believe that we will be vastly better served throughout this Nation if the utilities are under Government control and operation. We shall not gain anything if we sacrifice our objective because we have sometimes been betrayed. Let us strive for decency in public life, because we must entrust so much to government.

The cost of acquisition

This is a stumbling block always when we talk of public ownership. How shall we acquire these great properties without bankrupting the Government? Probably the Government must pay much more than they are worth. No one desires to do injustice, nor to confiscate private property. We must undertake the struggle with these great powerful ones who are not going to yield unless they are forced to do so. They often control those groups which might force them to deal honestly. I know how reluctant private owners would be to part with their holdings. They honestly believe they are entitled to run the business, and they are sincerely opposed to public ownership. It is always difficult to make the changes demanded by any new economic conditions. I can shed some light on this phase of it from my own experiences in building, operating, and selling a power company.

Some years ago I found myself builder, director, manager, president, and large part owner of an electrical power company. It was about the time when big companies were forming, and I attended many of their meetings and got an insight into some of the tricks of the trade. Among these was the famous injunction, repeated and adapted to the power world, "remember Harriman's advice—every time you lay a new rail or a new tie, issue a bond." Adapted to the electrical world, it was "every time you put up a pole or string a mile of wire, issue a bond. If you cannot sell the bonds, lock them up in your safe; the day may come when our right to charge certain rates will be questioned. The courts will never deny us a rate sufficient to pay dividends on our bond issues."

The property in my hands was comparatively small, giving electrical service to about 20,000 people. When I found I could not play the game, I sold my property and in the transaction secured an education in valuations. At that time the selling price of an electrical property with valuable rights

and franchises was supposed to be five times the gross income, with little attention paid to physical valuation. When transfers of property were made, an amazing number of things might be charged in the valuation—useless dams, and much other deadwood. Can we ever secure an honest and unquestioned valuation of transmission lines and power properties for purposes of Government purchase? The power line I built cost \$1,000 a mile. Near it is a line constructed some years later at a cost, as I understand it, on the books of the company of \$15,000 a mile. Can it be possible that it cost 15 times as much as the line I constructed? Can it be possible that these bits of burned clay, the three insulators on each pole cost \$90 apiece, the value said to be charged on the books?

RAILROAD RATES AND PUBLIC OWNERSHIP

My experience as a shipper of wheat and cattle, under the handicap of location in the interior, has convinced me that only through Government ownership can we equalize the benefits of railway transportation, keep people in the interior country, and continue in the farming business. In wartimes the cost of freight on a bushel of wheat from my place to Portland was 9 cents; it is now 15½ cents a bushel for freight, and warehouse charges have doubled. Fifty miles nearer to Portland the freight is 4 cents less a bushel. Yes, years ago when the management of this western railway was in the West, where it properly belonged, we had that differential cut to 2 cents, where it remained for 15 years. When the management moved to Wall Street, the differential was doubled.

A committee of the House has reported out the so-called Pettengill bill to restore the obnoxious old system of allowing the railroads to charge more for a short haul than for a long haul in the same direction over the same track. This should convince those of us who have studied the problem that the sooner we take over the railroads the better it will be for the development of the country. The cost in subsidies of lands, loans, and privileges would have paid the bill at fair valuation. Since subsidies have now become the order of the day and appear as a legitimate demand, why, in the name of justice, do we not at once pay the whole bill and own what we have bought over and over again?

BONNEVILLE DAM AND ITS POWER PROBLEM

Franklin D. Roosevelt will be remembered in history as the President who laid the foundation for the greatest hydroelectric power development in all the world. Here I pause to pay tribute to Senator NORRIS, whose wisdom, foresight, courage, and tenacity have made possible the successful organization of the great T. V. A. development, which is the pattern and inspiration for the others.

The Columbia River is the second river in the United States in size. It has a constant flow of water, draining an immense territory, and fed from the snows and rains, with falls of many hundreds of feet through rocky caverns, making the building of dams comparatively cheap. These dams will afford, in the years to come, a staggering amount of electrical power and energy—41 percent of all hydroelectric power available in the United States. There will be enough to turn the wheels of industry and to light and heat homes and factories of a great industrial and agricultural population which will be increased by those coming to it from regions less favored by Nature. The energy which will be developed should be sold to the real consumer, to cooperative systems, and municipally owned plants at actual cost. Part of the Bonneville investment of forty millions, probably one-half, must be charged to navigation. The balance of the investment and the cost of Government-built transmission lines will make a total Government investment which should be liquidated by users of the electricity within a period of 50 years.

Think of the opportunity when that debt has been paid and the capital investment wiped out. The cost of operation will be small, the plant will still be in excellent condition, and the wheels will turn to produce electricity at a very low cost. What a heritage for the coming generations!

Congress will this session determine who is to enjoy the benefits of this great project. Shall the project enrich the private companies or shall it be used according to the T. V. A.

plan and that of Ontario, for the benefit of the people? The utilities are working on this with extraordinary thoroughness. Their friends are in positions of authority in political, legislative, and administrative groups. They have a great advantage in the control of publicity. One of the most extensive purveyors of canned editorials against public ownership and public regulation operates in and from Oregon. The canned editorials supplied by this firm are inspired by utility pocket-books and are frequently used, I regret to say, by our own weekly papers when the editors are too busy to prepare copy. Utility agents are present even when little groups of country people are meeting in their grange halls. The battle is being fought at every crossroads. In Oregon the State Grange has carried on the fight for public ownership and control. From its meager treasury the money has been spent for publicity and for initiating bills allowing the State and utility districts to prepare for the coming of Bonneville. Every proposed bill has been fought by the organized private utility interests.

Rural electrification through Bonneville power

Our farmers have been encouraged to believe that they are to farm in a new era as soon as Bonneville power is developed and marketed. They understand that the territory which is left to be supplied through rural cooperation in power districts is the poorest territory from a business standpoint, because the private utilities have already gone into the thickly settled communities. Unfortunately, many farmers in Oregon, unaware of pending changes and plans, were prevailed upon by private power companies to sign up for rural extensions. There is little doubt that these signatures were obtained in pressure campaigns under lack of information which amounted to misrepresentation. It remains to be seen just how this situation can be handled for the benefit of the farmers.

Under our State law, written into the statutes through the efforts of the State Grange, the work of forming power districts has been going forward slowly. This rather slow development can be traced directly to the private utilities which use every possible scheme for blocking the organization of districts, which must be voted upon in the territory of each proposed district. These powerful organizations, generously financed and skilled in publicizing their views, make it very difficult for groups of farmers, newly organized and inexperienced, to win an election for establishment of a power district. Through propaganda in meetings and printed matter, the voters are made to believe that they will be entering upon a hazardous experiment. The burden of proof rests upon the weaker group. The Rural Electrification Administration must have authority to come to the rescue of such groups and to assist definitely in the necessary promotional work. The farmer and the Government are partners in this undertaking, but the law as it now stands prevents the Government from entering into the activity essential to a successful enterprise until after the hardest battle has been fought. There is no agency put in the field by State or Nation to help these groups to plan and to set the facts before the people concerned. They are left to provide electrification for the most thinly settled territory in the most unproductive regions and to face the most difficult problems in power development. In this situation Federal and State Governments are unable to provide help in initiating enterprises, apparently because powerful interests have made the law partially inoperative. We should have a right to depend on the R. E. A. for power district development and for the encouragement of cooperative projects through promotional work. My colleague from Mississippi, who knows this subject better than any man in Congress knows it, says that the coming of electricity to rural regions doubles the land value of each farm it touches. His glowing accounts of the transformations wrought by rural electrical development certainly increase our determination to try to secure the same benefits for our people. Electric power will build up the country and will increase values. We are faced with the responsibility of working out the plan through which this may be accomplished. These great private utilities are getting Government money at 3 percent in order to take current to unserved rural regions, and they seem determined to reserve for themselves the benefits of 3-percent Government money. They

have been in business so long that they know just where to move in order to build most advantageously.

Publicly owned power districts must either generate their own power or buy it from some conveniently located municipal plant or private utility. Although the Rural Electrification Administration is authorized to make loans for the construction of generating plants, few such loans have been made. However, it is understood that its policy is becoming steadily more liberal in this respect. The wholesale power rate contained in the contract between the power district and the municipal plant or private utility is subject to the approval of the Rural Electrification Administration by reason of the fact that the Administration is vitally concerned in assisting the district to obtain its power at a low rate. With a low wholesale rate the power district will be enabled to supply power to its consumers at a rate which will permit of the building up of a high load. A high load means more revenue for the power district, and thus there will be no question but what the project will be self-liquidating. Certainly it is reasonable that our Government, in making loans for rural electrification projects, must have the right to condition its loans upon the reasonableness of the wholesale rate which its borrowers must pay for electric energy. We have a long way to go in order to make most successful the administrative side of the Government's effort to take electricity to the farmers. Certainly the State has an obligation in this connection, but it is not spending money to promote these districts, and has not entered upon a great program, such as we have undertaken nationally. I doubt if the battle can be fought on State lines with any certainty of victory for the people. Let us strengthen our Federal undertaking and adopt the loan and grant plan for municipalities and power districts which are building rural systems.

We must also have legislation which will give our Government the absolute and unquestioned right to lend its funds to cooperative public power districts, which are not rural, and to use them for the development of publicly-owned power projects. Our own great Public Works Administration has been hampered in its program by injunctions and difficulties of all sorts raised against loans and grants for such development.

Bonneville legislation in Congress

Today the most important issue in Congress, from the standpoint of the Pacific Northwest, is the relation of the Government to the control of the power soon to be developed at Bonneville. In the immediate future, we shall have Grand Coulee, also, as that is built for a combination of irrigation and power. If the people retain their rights, we shall see a remarkable development of rural electrification and of industries operating under a new order. This should be done without the concentration and crowded population which has made industrial centers elsewhere such problems from the standpoint of health and social welfare.

The President sent to Congress, on February 24, a communication transmitting the progress report on the Bonneville electric power project. This communication contained recommendations for immediate action made by the Committee on National Power Policy, recently appointed by the President. The committee, as its first assignment, made a study of Bonneville because of the immediate need for legislative action in connection with that project. The committee states that, though the major projects in the Columbia River Basin should be considered together, it has been compelled to report on Bonneville project first and to set up a provisional administration, pending the establishment of a permanent regional plan. Based on the findings transmitted to Congress, bills will soon be introduced in the House and Senate incorporating the recommendations of the committee. I shall introduce such a bill in the House. It is my judgment that the Congress should follow the President's recommendation and set up this provisional administration in the manner suggested. The bill will provide for the appointment by the Secretary of the Interior of one administrator, with an advisory board of three designated by the Secretaries of the Interior and War and the Federal Power Commission. This administrator is charged with the

duty of making all necessary arrangements for the disposition of the electrical energy not required for the operation of navigation facilities at the dam. He is authorized to provide electric transmission lines, the substations, and other facilities necessary to take electrical energy from Bonneville to existing and potential markets. He is also directed to enter into contracts for the sale of electrical energy, at wholesale rates, to public and cooperative agencies, in conformity with rate schedules to be approved by the Federal Power Commission. He is required to give preference and priority to public and cooperative agencies. This administrator is given great power, but he has definite responsibilities to governmental agencies.

Provision is made for paying off the cost of transmission lines in the same manner applied to the amortization of the costs of the power project. An initial step is the necessity of determining the allowance for the amount of the investment at Bonneville which should be charged to navigation and the amount charged to power. It is my belief that the Army engineers should continue to operate the machinery of the dam, but should be relieved of all responsibility in connection with the marketing of electrical power. We recognize that the Bonneville project is primarily for navigation, and certainly for that type of service the Army engineers afford the best trained managers.

The opposition to Government operation of this and all similar projects solely in the interests of the ultimate consumer is well organized and determined. That has been demonstrated during the years of T. V. A. battles in Congress and through the courts. We must beware of "Greeks bearing gifts." Many of the close friends of private power monopolies will pretend to be for public ownership when in fact they are allied with private monopolies and planning that they shall become the chief beneficiaries. We have also to meet the strongly voiced opposition of those who would reserve Bonneville power for "industry at tidewater." Those, like myself, who believe that all consumers, large or small, near or far, are entitled to the benefits of this great natural resource and that such benefits can be realized only through public ownership and operation must now call to fight by our side all the wise and resourceful leaders who have won the other great battles. We know that the problem of cheap power can be solved only by Government ownership and operation. Power must be delivered to the ultimate consumer at yardstick rates based on actual costs. The enterprise must be entirely free from pooling of public and private power-transmission facilities except at the outset and on short-term contracts. This latter point is being bitterly contested by the utility companies, and slips are widely scattered stating that it would mean an "economic waste." They forget the "economic waste" of investors' losses through manipulations of holding companies. It is now impossible and unwise to allocate any definite percentage of current as between public and private agencies. We can only say that public agencies must have preferential service at wholesale rates. Industries must be encouraged to establish plants throughout the territory reached by Government lines. The Pacific Northwest looks to Congress for the great privilege of developing its section of the country, with the cooperation and powerful backing of the Federal Government. Our first need is for a satisfactory law under which may be determined the methods of administration and operation under which the benefits of Bonneville Dam may be realized and enjoyed. Certainly we shall agree that our water powers must be used for the service of all instead of the profit of the few.

Mr. UMSTEAD. Mr. Chairman, I should like to ask the gentleman from Iowa [Mr. BIERMANN] if he now desires 15 minutes?

Mr. BIERMANN. I do not like to impose on the Members if they want to adjourn.

Mr. UMSTEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, since the World War, with the exception of 1 or 2 years, the United States has spent more money each year on its Navy than any other nation on earth. During those 1 or 2 years England spent

a little more than we. I assume that every Member of this House is reasonably patriotic. I assume that everyone wants to keep any invading force off our shores. I think all of us want "adequate" preparedness. The question is, What is "adequate" preparedness? At the present time I think this Congress is infected with some kind of mental affliction, with all due respect, that compels them to vote for any kind of appropriation that the Army or Navy asks for, and without asking the reason. It would be logical to ask in the case of voting a half-billion-dollar appropriation for preparedness, "Against whom are we preparing?" Nobody has attempted to answer that question here. Nobody has answered that question since I have been in this House. Are we preparing against England? Of course not. A revival of the War between the States is just as likely as a war between the United States and Great Britain. Are we preparing for a war with Germany? Where would we fight that war? They certainly could not come over here. Are we preparing for war with France? They could not come over here. Are we preparing for war with Japan? Certainly Japan, with half our population and probably 25 percent our financial strength, could not go 5,200 miles to San Francisco or 4,500 to Seattle to invade us. But for 35 years that I know of, jingo people like William Randolph Hearst—I think I would better not describe what I think of him or of his newspapers—have been poisoning the people of this country that we are in danger of war with Japan. Japan thinks she is in danger of war with us. I think Japan has just as good reason for her belief as we have for the belief that prevails here.

I noticed this little clipping in a Washington paper yesterday:

Scientific methods of warfare are being strenuously studied in Japan, it was disclosed in the Diet. Fear of the United States was given as the reason for the new program.

It is appalling when we consider the amount of these appropriations. I want to compliment the committee for somewhat cutting down this appropriation below the Budget estimate. For the fiscal year ending June 30, 1936, the Departments of Agriculture, of Commerce, of the Interior, which included the Boulder Canyon, of Justice, of Labor, of State, and of the Treasury, all seven combined, cost the people of the United States \$426,000,000. That is for the year ending June 30, 1936. Tomorrow we will be asked to vote an appropriation for the Navy alone of \$526,000,000 or \$100,000,000 more than it cost to operate those seven departments in the fiscal year 1936.

Up to the year 1904 the entire running expenses of the Government of the United States in no peacetime year had equaled what we are asked now to vote for the Navy alone. And they do not tell us against whom we are preparing, and they do not tell us what nation may invade us.

I have put out the challenge here many times, and I put it out here again, that none of the proponents of this bill can get any statement from any Army officer, whether he be second lieutenant or full general, or a statement from any Navy officer, whether he be ensign or full admiral, saying that it is possible for any foreign power or any combination of foreign powers to invade this country. The officers will not so stultify themselves as to make such a statement. I leave this as a challenge, a standing challenge. When we consider the military appropriation bill I want this challenge to stand then. I especially invite the proponents of this bill to give us the name of any Army officer or any Navy officer who will say that this Nation could be invaded.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I am sorry to decline to yield but time does not permit.

I want to quote from an article by Maj. Gen. Smedley D. Butler in the Liberty Magazine of November 21, 1936:

Any nation choosing to war upon us would have to come a minimum of 3,000 miles by water. No military man, no matter how reckless, ever would contemplate invading a nation of 130,000,000 people with less than 1,000,000 soldiers. Mussolini did not begin his war on Ethiopia—a nation of only 10,000,000 people, a nation virtually defenseless—until he had 400,000 soldiers in Africa.

And this minimum of 1,000,000 men, to be at all effective, would have to be transported in one great armada; would have to be landed safely on our shores, with a goodly percentage of their stores, within a period of about a week or 10 days and along a comparatively short stretch of about 100 miles.

A million men, prepared for 3 months of living and fighting overseas, would require 5,000,000 tons of food, ammunition, and supplies of all sorts.

There is hardly enough shipping in the entire world, including the United States, to transport 1,000,000 men and the necessary stores across 3,000 miles of ocean in a period of 10 days.

As a matter of fact, all the maritime nations of the world together have only about 160 ships of 15,000 tons or more each, with a total tonnage of less than 3,500,000. If all these ships—and they include 20 of our own—could be mobilized, they would not be sufficient to carry the required men in one crossing from Europe or Asia to the United States.

We do not have to take the word of Gen. Smedley D. Butler about transporting troops. We have our own experience. We ourselves engaged in a war 20 years ago beginning the 6th of next month, and we had the Navies of Great Britain, the United States, France, and Italy to help transport our troops. We sailed across an ocean that did not have a single enemy craft above the surface of the water, and we had no opposition until we got close to the other shore. How many men did we transport from May 1917 until the armistice in November of 1918? We transported 2,100,833 troops across the ocean with the combined four navies I have just mentioned.

Gen. Smedley Butler contends that a nation to have any chance of successfully invading our shores would have to transport 1,000,000 men over here in about 10 days. The most we ever transported to Europe in a month was 312,000 men. That was in July 1918. Even though we had these big navies to protect and help us, and even though we were unobstructed in our passage, we would have to pick out the 4 biggest months in order to find a group of 4 months in which time we transported over the seas as many as 1,000,000 men.

This talk of the United States being invaded by any foreign power or combination of foreign powers is just sheer bunk; that is what it is; and I defy anybody supporting the contrary proposition to come in here and prove that that is not so. I defy them to get the statement of any Army or Navy officer saying that this Government can be invaded in any way on either shore.

This thing would amuse me if it were not so serious. The fact is there are men here who objected yesterday to granting an authorization for \$5,500,000 to give the star-route carriers of the United States reasonable salaries; but these same men when a bill of this size comes along, without being able to offer a single argument for it, yet will vote for it on tomorrow afternoon.

When we passed the Vinson-Trammell bill, we authorized, among other things, the beginning of the construction of two battleships, to cost \$51,000,000 apiece—and I might explain that the flotilla which has to accompany each one of these battleships, according to Major General Mitchell, I believe, costs another \$50,000,000. So, a couple of years ago the estimate for one of these outfits was \$100,000,000. We authorized the expenditure of \$51,000,000 on each of these ships. Now, if you will turn to page 571 of the hearings on this bill, you will find these items: "Battleships, BB-55 and BB-56." These are the two ships in question. The total amount necessary to build these two ships and their armor, armament, and ammunition is \$120,346,000—sixty-million-dollars-and-some-odd money for each one of these ships which were authorized a year ago at \$51,000,000.

Sometimes it is of advantage to compare some of these expenditures with other expenditures that are of more value.

The new buildings in the triangle between Pennsylvania and Constitution Avenues, beginning with the Department of Commerce Building and concluding with the Archives Building, cost the Government of the United States \$65,000,000. Just think of it, \$65,000,000 for all those magnificent new buildings. The Treasury Building cost \$8,000,000. The Capitol of the United States cost about \$15,000,000.

according to David Lynn, the Architect. The Library cost \$9,000,000. The State, War, and Navy Building cost \$10,000,000. In other words, all these buildings I have mentioned—and they are the pride of our National Capital—cost \$107,000,000. The cost of these two ships, if the cost does not increase in the next year, will be \$120,000,000. All of this money is being given to the Navy Department without anyone attempting to come here and tell us against what nation we are preparing, or what nation or combination of foreign nations could possibly stand a Chinaman's chance of successfully invading this country.

Mr. Chairman, I earnestly hope the Members of the House who honestly want to economize, who want to cut the expenditures of our Government, and God knows we should cut them, will take the opportunity tomorrow to vote down this bill.

Mr. HILL of Oklahoma. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Oklahoma.

Mr. HILL of Oklahoma. The gentleman stated the Members of the House would largely vote for this measure just because it has been recommended by the committee.

Mr. BIERMANN. Yes.

Mr. HILL of Oklahoma. It is a pleasure to me to announce to the gentleman that here is one Member who will not vote for it, even on this side of the House. If this bill were taken apart and disemboweled so that we could vote for certain sections of it, I might support some of the bill, but I cannot support all of the bill and cannot vote for it.

Mr. BIERMANN. I thank and commend the gentleman. [Here the gavel fell.]

Mr. DITTER. I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, there has been in the last few years a very considerable discussion of the reciprocal-trade agreements and the benefits resulting therefrom to different industries. May I call attention to the hearings held in reference to this bill, beginning at page 889? There appeared before the committee a distinguished Representative on the majority side of the House, the gentleman from Arkansas [Mr. MILLER]. He told the committee that last year we produced in America 28,428 tons of manganese as against 315,000 tons in 1918. The requirements of the United States for this strategic war material are 700,000 tons a year. Just so the industry might have a little harder sledding and so that our Government might be in a little worse shape if we were in trouble and needed manganese, and could not import it any longer, a reciprocal-trade agreement was made with Brazil a little over a year ago in which the tariff was reduced from 1 cent to one-half cent a pound. This results in a difference of only a few cents a ton in the cost of steel, but it makes an insuperable difference in the cost of manganese and the ability of the American producer to produce it.

Mr. Chairman, may I call the Committee's attention to a colloquy between the gentleman from Arkansas [Mr. MILLER] and the chairman of the committee:

Mr. UMSTEAD. You make the point there that if it continues as it is that the producers and manufacturers will necessarily have to go out of business?

Mr. MILLER. Yes, sir; they are going out of business.

Mr. UMSTEAD. And when and if the Government does need this material they will have to start from scratch again?

Mr. MILLER. They will have to start from scratch; and then we will be forced to subsidize them.

Mr. UMSTEAD. Without any going manufacturing concerns or mining concerns engaged in it, the cost to the Government at that time would be tremendous?

May I call attention to a further colloquy between the gentleman from Arkansas and the gentleman from Pennsylvania [Mr. DITTER]?—

Mr. DITTER. Mr. MILLER, since when has this disastrous condition, this trouble that you so graphically painted a moment ago, developed?

Mr. MILLER. Since when?

Mr. DITTER. Yes; since when has that condition developed?

Mr. MILLER. Since 1929; particularly since 1929.

Mr. DITTER. Has it been emphasized in any way since the adoption of reciprocal-trade agreements?

Mr. MILLER. Decidedly so.

Mr. UMSTEAD. Then, I take it, that insofar as this particular industry in your State is concerned, that you feel these reciprocal-trade agreements have been detrimental rather than helpful?

Mr. MILLER. That one has.

Mr. DITTER. Has it resulted in a decrease of employment in your district?

Mr. MILLER. Decidedly in that industry.

Mr. DITTER. In that industry?

Mr. MILLER. Yes, sir.

Mr. DITTER. Have you presented this claim of injustice, insofar as your people are concerned, to Professor Sayre?

Mr. MILLER. Yes, sir.

Mr. DITTER. Has he indicated any sympathetic attitude toward them?

Mr. MILLER. Oh, yes; but he had to take care of our cotton and other stuff, he said.

Mr. DITTER. So that, as far as any tangible results are concerned, neither Professor Sayre nor Secretary Hull has given you any relief?

Mr. MILLER. No, sir.

Mr. Chairman, that is the situation in which many of the industries of this country and those in the farming area of our country find themselves due to the operations of the Reciprocal Tariff Act. I hope that, with these items continually being brought to the attention of the Members of Congress, the time will soon arrive when they will wake up to what is being done to them through the operation of these reciprocal tariff acts and that they will stop this delegation of power which is ruining American agriculture and American industry.

I remember a few days ago having an interview with a gentleman in the office of the Secretary of State and telling him that ever since he began his operations not one industry and not one item of agriculture in my territory had been benefited but, on the contrary, had got the worst of it all the way down the line. The situation is, for the sake of promoting the prosperity of foreign people, our industries and our agriculture have been traded away. Is it not time for the American people to wake up to that situation and put a stop to this way of doing business? [Applause.]

Mr. BIERMANN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. BIERMANN. The gentleman's theory of international trading is that we sell to foreign countries all we can, but take back only cash and nothing else?

Mr. TABER. Oh, no.

Mr. BIERMANN. That is the rock-bound Republican theory.

Mr. TABER. No; it is not. Our theory is we should not cut the heart out of American farming and American industry.

Mr. HOOK. Mr. Chairman, will the gentleman yield there?

Mr. TABER. Yes.

Mr. HOOK. Does not the gentleman know that one of the largest industries in this country, the automobile industry, is located largely in the State of Michigan, and does not the gentleman also know that the automobile industry through its leaders went to the Republican National Convention and asked that convention to advocate reciprocal-trade agreements because they had been the salvation of the industry?

Mr. TABER. I know that did not happen, because I was on the resolutions committee at that convention and they did not appear before the committee. [Applause.]

Mr. HOOK. They certainly wrote letters to their leaders about it.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I rise today to submit some general observations on the need of governmental economy that have occurred to me during my service on the Appropriations Committee, and specifically to call attention to a very praiseworthy move in that direction by the Joint Committee on Printing, of which the able gentleman from North Carolina, Hon. J. WALTER LAMBETH, is chairman.

Sometimes I wonder, from the experience of the last 20 or 25 years, whether economy has become a lost virtue.

For 100 years economy was the watchword of our statesmen. For 100 years "We stand for economy in government" was a full, resounding phrase that was featured and exploited in every platform of every political party—National, State, and local—as the greatest of all desiderata. Political action in the days of our fathers lost all of its virtue and its beneficent essence unless it was associated with economy. A candidate for office, unless he pledged himself in advance for economy, was beaten before he started. And then, Mr. Chairman, a change came over the spirit of our dreams. The inception of that change is difficult to trace, but it began after the turn of the century. By the beginning of the present decade public servants were thinking in terms of spending rather than saving. A Member of Congress was judged not by the amount of money he could save the taxpayers but by the amount of money he could extract from the Treasury till for the benefit of his district.

Unfortunately that judgment and that appraisal still stand in the mysterious processes of public thinking, only more accentuated than ever. It is the go-getter—the best grabber—and not the money saver who garners popular applause. Sometimes I marvel over the modern psychology which seems to say, "Economy go hang! The way to bring about prosperity is to spend money, and we want our share."

That kind of thinking reminds me of a man I once worked for, who undertook to build a handsome, new office structure to house his business when he did not have money enough to pay the architect's fee. He was a man of great brilliancy of mind, but he lacked the practical touch. He borrowed and borrowed until he was head over heels in debt at every bank in town. Finally a friend, remonstrating with him, said, "You shouldn't borrow so much money from the banks."

"Why," he replied in astonishment, "I thought that is what banks are for."

It seems to me that the myriads of interests that are engaged these days in pulling money out of the United States Treasury must be guided by the same benign philosophy that actuated my old employer. If you were to press them for an explanation, they probably would exclaim:

"Why, I thought that is what the Treasury is for."

Such is the modern psychology. It is a far cry back to the days of rugged honesty and simplicity, when the main objective of our fathers and mothers, which they never lost sight of in all their lives of toil and self-denial, was freedom from debt and the satisfaction that comes from owing no one. I am no apologist for the "horse and buggy" era, but I cannot agree that we of our time, struggling with a welter of debt, obligations, and taxes, are any happier than they were in their day and generation. Our forefathers stood for public and private economy with a capital "E" and for the discharge of their responsibilities according to the strict letter. My good father would have walked 10 miles to pay a debt of 10 cents when it was due if there was no other way to get there. That was the pioneer spirit.

We on the Appropriations Committee, who sit in judgment on the claims of the governmental activities for appropriations, have to meet the spending campaign head-on. We see the grabbing orgy in its fullest flower and fruition. I think we would fall dead from surprise if some departmental or bureau chief were to come before us and voluntarily offer to accept a reduction in his appropriation below the current year. Such a thing never occurs. Perhaps it is not human nature that it should occur. Every bureau chief who has pride in his work thinks his activity is the most worth-while activity in the entire range of the Government, and he comes before us bubbling over with enthusiasm and eagerness to secure a larger appropriation in order to expand its operations.

I sometimes think that we members of the Appropriations Committee have the toughest job in the world. If we were to grant all of the requests submitted to us, we would please everybody, but there would not be even a bottom left in the United States Treasury; whereas when we remember the taxpayers and do what we conceive to be our duty to them, we tread on the toes of the bureau chiefs and unleash opposi-

tion that often finds its way into Congress to checkmate and discredit our efforts.

An Appropriations Committee member finds no other task quite so difficult these days as the task of trying to be economical. And yet I, for one, believe that unpopular though we may, and do, make ourselves, we are performing a real public service when we hew to the line of economy. Nothing else would be so heartening to the business world, nothing else so stimulating to real recovery and to the restoration of normal jobs in industry as the knowledge that we are making an actual start in the direction of a balanced Budget.

While I am talking about the need for economy I cannot refrain from expressing my amazement over some of the publications issued by certain Government activities, publications that have all of the features of sales propaganda, with enormous type to catch the eye, florid illustrations, and appealing arguments to arouse the interest of the readers. These publications are as hard on the pocketbooks of the taxpayers as they are interesting and novel. There is, for instance, the First Annual Report of the Resettlement Administration which I will put up against any other Government report in the history of America from the standpoint of originality, with full confidence that my entry will win.

The front and rear backs of this document are medleys in color, showing attractive homesteads, happy farmers holding Government grants in their hands, cackling hens, and contented cows grazing placidly. In one respect the illustrations indicate a slight variation from Nature, as all of the cows are a brilliant red. The report contains 173 pages printed on highly calendered paper and illustrated copiously.

I asked the Public Printer how many copies of this report were printed, the total cost, and what they would have cost without the artistic features, and he replied:

Total number printed for the Resettlement Administration was 3,100 copies. In addition there were printed 384 copies for depository libraries and international exchanges, as provided by law, and 300 copies for the Superintendent of Documents for sale.

Total cost of all copies printed, \$4,051.25.

The cost without illustrations and embellishments would have been \$3,108.86.

Another document of extraordinary character, also highly embellished, is the one entitled "Possibilities of Shelterbelt Planting in the Plains Region." This is an artistic report, on a superquality of paper with many illustrations, and in reply to an inquiry as to its cost the Public Printer says:

I am pleased to advise that there was a total of 5,000 copies printed for the Emergency Conservation Work (Forest Service) and the total cost was \$4,011.64.

Here we have two reports not in the ordinary style of plain printing that usually characterizes Government reports but decorated and embellished in the *n*th degree and the cost of the two was \$8,062.89—the price of a good Indiana farm.

These may be little things compared with the vast sweep of governmental expenditures, but they are important because they are symptomatic of a prevailing predilection among many bureau chiefs to overlook the economies that should be our concern at this time when we are trying with terrible seriousness to stage a comeback from the worst depression our country ever has known.

I am not disposed to be too critical of officials who allow their zeal to lead them to such lengths in their efforts to do a good job, as they see it; but I do say that such unwarranted expenditures should immediately cease. These are just samples of extravagant practices that have grown up in many of the bureaus, every one of which should be eradicated as soon as possible.

The Joint Committee on Printing, of which our distinguished friend, Mr. LAMBETH, is chairman, has taken steps to curb this extraordinary publicity practice. With Mr. LAMBETH on that committee is Mr. RICH, of Pennsylvania, author of the pertinent phrase, "Where are you going to get the money?"—one of the real economists in Congress. Mr. BARRY, of New York, is the other House member. The Senate wing of the joint committee includes Senator HAYDEN, of Arizona; Senator WALSH, of Massachusetts; and Senator VANDENBERG, of Michigan.

At its last meeting on February 3 the Joint Committee on Printing, having the ornate Resettlement report in mind, adopted a rule directing the Public Printer whenever a manuscript is presented for printing that involves more than \$500 additional expense for color printing and embellishments to submit the manuscript to the joint committee for its approval or disapproval before proceeding with the printing. This rule applies to all manuscripts submitted to the Government Printing Office from whatever source they may come. This is a move in the direction of real economy, and I congratulate the gentleman from North Carolina and his associates on their solicitude for that too often forgotten man—the humble taxpayer.

Mr. UMSTEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. BINDERUP.]

Mr. BINDERUP. Mr. Chairman, I am so very conscious of the magnitude of the subject I wish to discuss briefly this afternoon that I hesitated somewhat to take this time, realizing that my efforts, limited by so short a time, can hardly cause the slightest ripple on the waters of the great sea of public opinion. I realize the fact, Mr. Chairman, that to undertake to relate the history of our Uncle Sam and go back to the date of his birth, over 150 years ago, and to try to say anything that is worth while in 10 or 15 minutes is almost impossible. And yet, spurred on by the realization of the importance of the subject, I have taken these 15 minutes and I am thankful to you for this privilege.

In speaking to you once more about Uncle Sam's hospital chart I wish to say this: This is not just a little chart that was drawn up in a few minutes; this chart is not the result of a momentary impulse, but rather the result of years of study, based on Uncle Sam's history of depressions, the cause and history of those responsible and the principles involved, and every word and every comma and period on that chart is a cue to some historical event or to some statistics of importance in connection with collapses of Uncle Sam.

If in retrospect you could see with me the anxiety, the chills and the fever and the collapses of our Uncle Sam in each one of these 26 depressions, panics, and collapses; if I might hold up before you a magic mirror that you might see the past as I shall endeavor from time to time to show it to you; if you could realize the misery and want, the starvation and the deprivation, the tears and sorrows and suffering, the suicides, the murders, the destruction of the great institutions of civilization that have been wrecked in these collapses—all man-made—I know there would come a response in action as well as in words. I know we will not have time to study this chart, so I am setting it up before you that you may get a flash picture in your mind of the wavering health of our Uncle Sam, described by the red lines on the chart. And then in my few brief minutes I will tell you a little of the reason why these man-made panics came upon our Nation.

When was the germ created that caused our great Nation to collapse 26 times in its short history? That germ was created when the people were deprived of their constitutional right and privilege of coining and regulating their own money—money that is the sacred measurement; money that measures the sweat of the brow of man. It was born in that historic moment when Alexander Hamilton and Thomas Jefferson discussed that very important plank of the Constitution of the United States which provided that the people shall coin their own money and regulate the value—value that is determined by the abundance of money, as money measures values by and according to its own abundance.

And when Thomas Jefferson, the great champion of the people's cause, had lost in this great battle with Alexander Hamilton over the establishing of the United States Bank—a private bank—he said later in life that this was his greatest battle, and that it was the greatest loss politically he had endured in his life. And when his friends came to him to console him, Thomas Jefferson answered, as you will recall:

I grieve not for myself, for I shall have died long before this piece of evil legislation bears its fruits; but I weep for posterity; I weep for the Nation I love.

Sometimes, when I have weighed these words of Thomas Jefferson, I have thought to myself: "O Thomas Jefferson, you great statesman, you who could peer beyond the wall of unborn time, you said you grieved for posterity and you wept for the Nation you loved. Tell me, O Spirit of Thomas Jefferson, when you said you grieved for posterity, could you see in that picture of the future our great people in distress, with millions cold and hungry, in a land of unlimited resources and unlimited credit? When you said you grieved for the Nation you loved, tell me, was it our great Nation of today you could see torn by strife, by threatened radicalism, communism, and decay? For today it is we that grieve for our own and for posterity."

Yes, we, too, grieve for the Nation we love, especially when we realize that the last collapse our Nation is suffering has lasted 17 years, started in 1920, and was amplified and its effect multiplied in 1929. It is then we realize the seriousness of our situation and the truth of what Thomas Jefferson said when he stated that he wept for the Nation he loved. Mr. Chairman, in these 15 minutes, no matter how high I might hold the torch of reason, no matter how bright the rays from that beacon light may be, how little, after all, I could tell you about these collapses of Uncle Sam. So let me skip the '24 and come down to the panic of 1920, at least for the present, because I can explain the situation in 1920 quite easily, because you Members of Congress lived it and you endured it. You breathed the air of 1920, and today you are still experiencing the results of the panic of 1920.

Yes, my friends, today, at the dawning of a new prosperity, we are busy sweeping aside the ashes of the past, and on this miserable foundation we are striving to again build up a new prosperity, a prosperity that will live for just a few years only, for the reason that we have not solved the cause. We have not removed the germ of destruction, and in another few years our Uncle Sam will have another collapse. And remember what I told you in my last week's talk: Every collapse is more severe than the preceding one. How did it happen that this great Nation of ours fell from the highest plane of prosperity, with the happiest people, when we were building the great institutions of civilization higher and higher, up into the unfathomable heights of human advancement? When Winston Churchill stood in the halls of England and pointed to this great Nation, he said, in substance, this:

Behold a nation that has achieved the greatest success in government, when labor practically consumes the products of its own hands.

Was not this a wonderful statement? Yes, Mr. Chairman; when labor consumes the products of its own hands, that is distribution, that is government, that is consuming power, that is purchasing power; that is the motive, that is the spirit that turns the wheels of industry; that is the thing that determines when a nation is a great nation and when a government is a great government.

Then another great statesman followed Churchill, some time afterward, in England and said:

Rome in all its glory and its golden age was not as great as was the United States in 1920, or until the 18th day of May 1920, at 12 o'clock.

That is when the panic of 1920 started; and may I say that I challenge anyone to deny the statement that this panic started at 12 o'clock on the 18th day of May 1920. Oh, no; not in this building; not in this room. It was merely in this room that the Representatives of the people forgot. It was here that we forgot that the cost of liberty is eternal vigilance, and that the only reason we are here, and the reason government was instituted among men, is just for one purpose—for the protection of the worthy weak against the greedy strong. It was here that Congress was in session and, busy with other minor matters, forgot to guard the toiling masses against the enemies of humanity: human greed, predatory wealth, and the pirates of finance. But it was not here that the crime was committed.

It was committed in the city of Washington, next to the White House, in the Treasury Building. There was a meet-

ing down there; it was a secret meeting. It was held in the office of W. P. J. Harding, Governor of the Federal Reserve Board of the Federal Reserve banks. There were about 50 bankers assembled, representing the combined fortune of billions of dollars. These 50 bankers assembled there for a certain purpose, and so definite are the facts connected with this meeting that we know definitely now that this panic, under which we are still suffering, started then and there at about 12 o'clock noon on the 18th day of May 1920, in that room, by those men, except that among these men were Mr. John Skelton Williams, a friend of the people, and the Secretary of the Treasury, Mr. David F. Houston. This combination of bankers, these wizards of finance, representing the hounds of money monopoly, these vultures of greed for money, these, my friends, are the enemies of our Nation, speaking of them as a class. They had assembled down there by invitation of Mr. Harding, Governor of the Federal Reserve Board, of the Federal Reserve Advisory Council, and 34 of the 36 class A directors, together with a majority of the reactionary members of the Federal Reserve Board, were present. Class A directors, representing the Government, and class B directors, representing business, were not there. It was a secret meeting. I have oftentimes wondered why, because the Republican Party had been so honest with us. They said to us before the election of Mr. Harding in 1920, and I quote from the Republican platform exactly what they said:

We pledge ourselves to a courageous deflation of credit and currency.

And then President Harding said, and I clipped this from one of his speeches:

If I am elected President, I pledge myself to use my efforts to give back to the dollar its purchasing power.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BINDERUP. In a minute. They assembled down there for a certain premeditated purpose. From the Pacific coast and from Canada and the Gulf of Mexico they had come. It was not to wreck our Nation, it was to enrich themselves, and by so doing they did wreck our Nation; they had assembled because we had had a great war, and in this war we had inflated and inflated because we had a foolish, incompetent monetary banking system and we had voted billions of dollars worth of bonds, and we had a banking and currency plan in these United States where the banks could deposit these bonds back in the Treasury of the United States and the Government would issue currency dollar for dollar on every cent of the bond and give this currency back to the banks and allow the banks to continue to draw their interest besides.

And so we inflated and inflated. Besides that, because the banks had only to keep a reserve of $2\frac{1}{2}$ and 7 percent, they had a right to lend every dollar 10 and 15 times and more and still draw their interest on every dollar, whether it existed or not. So with such a system of inflation in 1920 we raised the price levels on the gold standard. We were on the gold standard pure and simple, absolutely 100 percent monometallism, and with this gold standard we raised the price level to a point of inflation that the Nation had never seen before. They have told us about the safety of measuring values by the gold standard, the most treacherous standard you could possibly inaugurate. It had an index of purchasing power in 1913 of 145 and robbed the debtors, and then fell to 60 in May 1920, and robbed the creditors; then again defrauded debtors by raising to 107 in 1921 and 167 in 1933; that robbed the farmer of his farm and the laboring man of his home. And so they had a meeting down there because we had inflated all of these values.

But there was one thing that did not raise in price; there was one thing an abundance of money could not raise in price. Interest did not raise in proportion to commodities. Interest was black on white, written with pen and ink on paper. These bankers had billions of dollars of the people's obligations, Government bonds, State bonds, and private notes and mortgages, all long-time paper, running for 20 or 40 years. And as prices of commodities rose, interest stayed there as it was, black on white. They could not change the

figures on their obligations without going to jail, but they knew another way, because they had read Adam Smith, the father of political economy, and he had told them how they could raise the purchasing power of interest without raising the figures on bonds and notes and mortgages held against the people.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BINDERUP. I would like to finish. I have only 15 precious minutes.

Mr. MARTIN of Massachusetts. I want to ask the gentleman one brief question.

Mr. BINDERUP. And what is that?

Mr. MARTIN of Massachusetts. This secret meeting the gentleman is talking about was held during the administration of Mr. Wilson, was it not?

Mr. BINDERUP. No; it was held after his administration. It was on the 18th day of May 1920.

Mr. MARTIN of Massachusetts. That was during the administration of Mr. Wilson.

Mr. BINDERUP. Was it or was it not?

Mr. MARTIN of Massachusetts. Yes.

Mr. BINDERUP. Regardless of all that, the meeting was held May 18, 1920. I am sorry to be diverted from my chain of thought, but I want to stop to answer the gentleman and to say that this is not a political issue at the present time and was not a political issue then.

Mr. MARTIN of Massachusetts. I am not trying to bring out the fact that it is a political issue. I merely wanted to bring out the fact that that meeting occurred during the Wilson administration.

Mr. BINDERUP. I understand, but even when you bring out such a fact and say it is not political, I know what the gentleman means, and I know and we understand that it is for a political purpose.

So we raised the price level higher and higher and they knew, these wizards of finance, as I say, because they had read political economy and they had experimented on Uncle Sam many times before, they knew how to make that interest buy more labor and the products of labor. They knew they had to crush the price level down, that had been crushed down 24 times before in our Nation, and they knew that other nations had taken money out of circulation and lowered prices and increased the purchasing power of money. They knew and understood that money measures values by its own abundance.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. UMSTEAD. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. BINDERUP. If I have 5 minutes more, I think I can finish.

Mr. UMSTEAD. I cannot resist the gentleman. I yield him 5 minutes more.

Mr. BINDERUP. They knew they had to contract the volume of money and credit and bring prices down to increase the purchasing power of interest. All they had to do was to take money out of circulation; and so those 50 wizards of finance that met up there at that particular time followed the suggestion of John Perrin, who was Chairman of the Board and Federal Reserve agent of the Federal Reserve Bank of San Francisco. He suggested that they immediately take out of circulation \$2,000,000,000 of Federal Reserve currency, restricting loans and contracting credit by burning up or destroying or locking up this amount of Federal Reserve currency. They knew what they were doing. They talked at length about taking \$2,000,000,000 out of circulation; \$2,000,000,000 of basic Federal Reserve currency out of circulation by contracting loans and refusing to make new loans. I want to tell you a bit more about that meeting. I happen to have the minutes of that meeting in my possession, and in the CONGRESSIONAL RECORD of May 1932 I read where in this Congress you incorporated the speech of John Simpson, who related what had happened in this meeting, as related by John Skelton Williams, so this is familiar to many of you. When John Perrin, the big banker of San Francisco, suggested taking \$2,000,000,000 out of circulation, it was John Skelton

Williams, the humane Comptroller of the Currency and a devoted friend to the people, appointed by Woodrow Wilson, who rose and said:

Why, gentlemen, you cannot take \$2,000,000,000 out of circulation; that is 25 percent of the wheels of commerce. That is one-fourth of the lifeblood in the veins and arteries of trade and commerce in Uncle Sam's system; you cannot take that out without a great crash. You will thereby collapse our great Nation. Do you not realize that our financial system, the banking system of our Nation, is builded on a strange precarious foundation, like a mist, a cloud, a shadow, a vision, a strange mystic intangible foundation called "confidence"? Just a little spark that exists only in the brain of man. Can you not realize that if you give such a shock to our financial system you will snuff out that little spark of confidence and the whole financial system of the United States will collapse?

They answered John Skelton Williams and said, in substance, this: "We have too many small banks, anyway. What we need is a large chain banking system." Again they discussed the situation of taking the people's money away from them, and once more John Skelton Williams arose and said:

Do you not realize that the farmers and laboring people of this great Nation have all got mortgages on their farms and homes? Can you not see that by creating a scarcity of money you will increase mortgages, measured in human effort, and wipe out all equities, and that the farmers and the laboring people will wake up some morning and find the only thing they have left is the mortgage on their homes? Their equities will have been wiped out—disappeared like the dew before a summer sun. Do you not realize that the merchant who buys goods and puts them on the shelf has bought them on a certain price level? You cannot crush this price level down any more than you could crowd yourself into a suit of clothes that you wore when you were 10 years old. You cannot crowd the price level down. You bought your goods, your homes, and your farms, and made your future contracts on a certain price level. When you crowd that price level down you create misery and want and starvation and deprivation and bread lines and soup kitchens; you invite war and pestilence, suicides, and crime. You crush Uncle Sam, and in this way will destroy his life, and he will follow in the same path as nations of the past that lived once but are no more, covered by the dust of time and forgotten but for a few yellow pages in history.

Every nation that ever was or ever will be can be destroyed if you crush down a price level, thereby creating extreme poverty, making the rich richer and the poor poorer, dividing a people, whereby one class dies of lust and luxury, idleness, and overindulgence, and the other class dies of misery and want, poverty, and starvation, and a nation with a people divided will fall. To crush down the price level without the results I have told you is as impossible as putting a chicken back in the shell 2 weeks after it has been hatched.

When John Skelton Williams pleaded to the wizards of finance for the farmer and the laboring man, warning them that these would lose their farms and homes, they answered him and said, in substance, this: "Well, the farmers and the laboring people have made a lot of money during and after the war. They will stand it all right." They knew and understood this would mean a crash. If you doubt this, listen to the words of Governor Harding, who presided at this meeting:

There are two remedies that suggest themselves; first, a reduction in the volume of credit, credit contraction—meaning taking money out of circulation. That is a drastic remedy; it is unpleasant medicine. The other method is to build up production—meaning to let the farmer overproduce and the laboring man create enough commodities to bring the price down so that interest could buy more farm products and products of labor.

And they selected the former method, taking the people's money out of circulation.

And so, my friends, it took these few mighty bankers who held in their own hands the magic wand of money power, some 50 of them, although a few of them did object and remonstrated against this drastic procedure, less than 2 hours to destroy the prosperity and happiness of a great Nation and of a great people, and it has now taken us over 17 years, costing billions of dollars and costing thousands of lives and immeasurable sorrow and suffering to our people, to try to overcome this crime committed by predatory plundering combinations of money monopoly. It has filled our prisons and poorhouses, hospitals, and cemeteries. And so a mighty nation crashed from the highest plains of prosperity, and a happy people, who were building the great institutions of civilization higher and higher by leaps and bounds, into the unfathomable heights of human advancement, were reduced to misery and want.

Sophocles, the Greek philosopher, was right when he wrote:

No power for good or ill can equal the power of money. This lays cities low. This drives man forth from a quiet dwelling place.

Yes, my friends; while at the same time it builds on yonder heights castles to the rich, in the vale it builds a church or a cathedral to a God whose judgment is feared, or in some conspicuous place it builds a library or museum or some great monument to satisfy the vanity of man, that suffering humanity might forget.

Mr. PLUMLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I shall not use the 10 minutes.

In looking through the hearings on this bill I find myself in a researching mood with reference to the reciprocal-trade agreements, the neutrality bill, and our policy of defense and offense. The research brings me to this little statement which I find in the March 2 issue of the Washington Times:

JAPANESE DIET TALKS OF UNITED STATES "ATTACK"

Tokyo, March 2.—Possibility of an American naval and air attack upon Japan was discussed by the Japanese Diet today when the naval budget for 1937-38 was submitted.

In answer to interpellations, Navy Minister Mitsumasa Yonai told the Diet that by 1940, when the present Japanese building program is complete, the island empire "may feel itself secure against American attack."

During the discussions the public and press at one time were barred from the chamber, but enough of the debate was open to make it clear that the Navy is demanding huge appropriations chiefly because of the "danger" of an American attack.

In the course of the conversations Yonai emphasized that Japan will not alter her present naval construction to match the new \$7,500,000,000 program of Great Britain, or any new construction undertaken by the United States. He gave the impression he regards the present Japanese program as ample.

Several deputies asked the Navy Minister bluntly whether the present armament programs of Japan and other nations were aimed at the future wars. He replied:

"Our present expenditures will be for war materials to the extent of 79 percent."

Yonai conjured up an interesting if imaginative picture of American aggression in the Far East. He commented:

"Suppose that the United States sent airplanes to Japan via the Kurile Islands, Hawaii, and the South Seas? In that event, Japan would certainly be menaced."

The Minister also takes the position that he will not fear any attack by the United States after the Japanese program has been completed up to 1940. Mr. Chairman, the United States Pacific is a great vast waste. From our Pacific, or California shore, to Hawaii is approximately 2,200 miles with nothing but water in between. Between Hawaii and the Philippine Islands we have very little territory that could possibly produce any revenue whatsoever for the United States or serve as a basis of any kind of defense whatsoever. We are, however, building stepping stones from our Pacific coast to the Philippine Islands through the establishment of air service. Those stepping stones run east and west. Another country is building stepping stones running north and south from Kamchatski's Arctic shores to the Equator, and in establishing their lines of commerce and air defense and air entrenchment they cross at about Guam the line of stepping stones built by the United States.

For approximately 8,000 miles you can travel the Japanese equatorial empire and be near Japanese soil at all times. Those islands are all rich in production of goods suitable and adaptable to the uses of mankind. I find myself dreaming about what kind of defense Japan could put up in the event those islands are fortified and, whether fortified or not, how those islands could be used for the purpose of landing aircraft. Almost any little coconut lagoon would be suitable for landing a great airplane that could do considerable damage in times of war. So then I come around to the thought: Are we building a Navy for the defense of the continental United States, including Hawaii and we will say Alaska; or are we building a Navy for the purpose of defending so-called American rights or American investments in the Philippine Islands 8,000 miles away, and wherein there is a Japanese Empire of considerable size lying directly between Hawaii and the Philippine Islands?

If we acknowledge parity with Japan insofar as naval armaments are concerned, how effective will our ships be—on a parity basis—in Asiatic or Philippine waters in competition with Japanese naval armaments? Is there any way we can defend investments or people located in the Philippine Islands as against Japan, with her surrounding territory north, east, and south of the Philippine Islands, with Japan fortified as she is now or may be on those islands?

These questions come to my mind in connection with neutrality, reciprocal trade agreements, and armament for defense or offense as the case may be. In the case of reciprocal-trade agreements, what attitude is this country to take with the Philippine Islands subsequent to the granting of independence to the Philippines? Are we to maintain military and naval reservations in the Philippine Islands? If so, does the present naval program provide for a defense of those islands and American interests there?

I had hoped that someone in the debate on this bill might discuss the Asiatic or Pacific phase of American defense or offense as related to this bill. If such discussion has taken place I have missed it. To me no naval program is complete unless it clearly sets forth to what extent defense will be maintained for interests of American people in the Pacific. It seems to me that if we are to have very much trouble from a military standpoint it may arise in the North Pacific, where such great armaments are now being concentrated by the powers of Japan, Russia, and the United States. Apparently every time we want to send some naval officer up to the Aleutian Islands to study weather conditions, Japan feels it necessary to send some officer into the South Sea Islands to study weather conditions. So it looks as though weather conditions are being studied on both sides. If we feel it necessary to establish an air base in the Aleutian Islands for the purpose of weather observation, Japan feels it necessary to establish an air base or air station for observation down in some South Pacific island in Japanese mandated territory. So while the bill is being read for amendment, Mr. Chairman, I trust that someone who is more familiar with this question of defense will place before the House concrete information with reference to what, and where, and how, and when we are to defend with this Navy which we are building.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MICHENER. The gentleman was over in that territory this last year and made some study of the matter. Would he, from his offhanded judgment, favor the continuation or enlargement of our defenses in the Philippine Islands or would he concentrate nearer home?

[Here the gavel fell.]

Mr. PLUMLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CRAWFORD. Mr. Chairman, my feeling at the moment is that we give to the people of the Philippine Islands just as quickly as possible their total independence and that

we then immediately move out of there, lock, stock, and barrel, leaving no military or naval reservations behind. Subsequent to that step, if we deem it advisable in our reciprocal trade agreement program we may make such trade agreements with the Philippine Islands as fit into our general policy in dealing with that question and thereafter we guarantee to the Philippine Islands no military or naval defense in any way whatsoever, except through our sitting around the table and becoming a party to a neutrality agreement wherein the other powers of the earth join with us to guarantee the neutrality of the Philippine Islands and all to the extent we are no more obligated than the other great powers of the world.

Mr. HILL of Washington. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Washington.

Mr. HILL of Washington. Last year when the great Japanese Kagawa was here he made the statement publicly, and I heard it, at a meeting that 95 percent of the people of Japan were against war, including the rank and file in the army. Does the gentleman believe that statement is true?

Mr. CRAWFORD. I would not agree with that figure. I believe when a study is made with reference to the naval preparations by Japan from the information obtainable you come to the conclusion—at least I do—Japan is planning for the defense of Japanese and nearby territory and is not planning in any way whatsoever for an offense against the United States or any other great power other than China and Russia.

Mr. HILL of Washington. That is the military viewpoint; but the people in Japan and the people in the United States are opposed to it.

Mr. CRAWFORD. I cannot agree with the statement of the gentleman from Washington. The pressure of population in Japan is forcing that great power to look about and prepare for additional territory to which her people may go in the years to come. She is making rapid progress now in the Philippine Islands. What we desire here in the United States does not change the geography of the earth. Japan is becoming more and more entrenched in the South Seas between Hawaii and the Philippines and southward toward the Equator. There are vast areas rich in raw material and particularly the type of commodities so precious in the execution of war of offense and defense. These lands are much nearer to Japan than the United States. The following figures clearly indicate how well Japan is preparing for her future and to what extent she is looking after "nearby" territory from the standpoint of naval preparedness. Only today these figures were furnished to me by the Navy Department:

The following data show the comparative status in combatant ships of the United States, British, and Japanese Navies, brought up to March 1, 1937. The first table shows only under-age vessels on hand, those of first-class military value, and those building or appropriated for. To show those over age and consequently of reduced value, a supplementary table is added.

	(I) On hand, under age		(II) Building or appropriated for		(III) Projected		(IV) Total new vessels		(V) Total all vessels (I and IV)	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
United States:										
Capital ships.....	15	464,300	2	70,000			2	70,000	17	534,300
Aircraft carriers.....	3	80,500	3	54,500			3	54,500	6	135,000
Cruisers (a).....	16	151,800	2	20,000			2	20,000	18	171,800
Cruisers (b).....	10	70,500	9	90,000			9	90,000	19	160,500
Destroyers.....	32	43,300	54	84,850	8	12,000	62	96,850	94	140,150
Submarines.....	25	33,620	17	24,295	4	6,000	21	30,295	46	63,915
Total.....	101	844,020	87	343,645	12	18,000	99	361,645	200	1,205,665
British Empire:										
Capital ships.....	15	474,750	2	70,000	3	105,000	5	175,000	20	649,750
Aircraft carriers.....	6	115,350	3	66,000	2	36,000	5	102,000	11	217,350
Cruisers (a).....	15	144,220							15	144,220
Cruisers (b).....	20	130,280	16	123,800	7	43,000	23	106,800	43	297,080
Destroyers.....	82	110,529	34	58,505			34	58,505	116	169,034
Submarines.....	38	45,214	14	14,900			14	14,900	52	60,114
Total.....	176	1,020,343	69	333,205	12	184,000	81	517,205	257	1,537,548

	(I) On hand, under age		(II) Building or appropriated for		(III) Projected		(IV) Total new vessels		(V) Total all vessels (I and IV)	
	Number	Tons	Number	Tons	Number	Tons	Number	Tons	Number	Tons
Japan:										
Capital ships.....	9	272,070			(1)	(1)			9	272,070
Aircraft carriers.....	4	68,370	2	20,100	(1)	(1)	2	20,100	6	88,470
Cruisers (a).....	12	107,800			(1)	(1)			12	107,800
Cruisers (b).....	16	80,895	4	33,950	(1)	(1)	4	33,950	20	120,845
Destroyers.....	78	101,629	18	25,944	(1)	(1)	18	25,944	96	127,573
Submarines.....	44	60,472	7	10,200	(1)	(1)	7	10,200	51	70,672
Total.....	163	697,236	31	90,194			31	90,194	194	787,430

OVER-AGE VESSELS

	United States		British Empire		Japan	
	Number	Tons	Number	Tons	Number	Tons
Cruisers ¹	1	13,700				
Cruisers ²			18	84,840	4	14,680
Destroyers.....	158	178,460	72	79,985	16	14,930
Submarines.....	54	35,640	13	6,985	9	7,826
Total.....	213	227,800	103	171,810	29	37,436

¹ No public announcement has been made to date.² Seattle—obsolete.

Mr. UMSTEAD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BIGELOW].

Mr. BIGELOW. Mr. Chairman, public opinion on the President's Court plan was sampled at Cincinnati last Sunday.

The result may be of interest to the House.

The ballot used called not only for a "yes" or "no" vote on the President's Court plan, but also provided that the voter indicate for which candidate he had voted for President last fall.

The meeting was free and open to the public. A special invitation, however, had been sent to 1,000 persons who had sent letters and telegrams from Cincinnati opposing the President's plan.

This meeting was held in the Emery Auditorium, February 28, under the auspices of the People's Church.

The ballots, 1,123 in all, revealed the fact that 587 present had voted last fall for Roosevelt, 398 had voted for Lemke, 50 had voted for Landon, and 20 for Thomas.

Less than 10 percent of those who had voted for Roosevelt opposed the President's plan. But while the President lost 9.8 percent of his own followers, he gained 46 percent of the Landon followers, and he gained 73 percent of the Lemke followers.

A 4½ TO 1 MAJORITY

Of all those present, 55 percent had voted for Mr. Roosevelt last fall, but over 81 percent of them supported the Court plan. The vote stood 912 for the President's plan and 211 against it. This 4½ majority for the President's plan contrasted strangely with the telegrams and letters sent in to me from Cincinnati, for these showed a majority of 25 to 1 against the President.

If significance were given to this vote it would indicate that the President's Court proposal is far more popular than was the President himself at the last election. The President's mass support appears to be more than holding its own. It is like "Ole Man River—It don't say nothin', it don't write letters, and it don't send telegrams, but it jes' keeps rollin' along."

I do not wish to overlabor this sample balloting. Another speaker might have talked the same audience into quite a different vote. But I got the impression that the rage against the Court proposals is confined to the newspapers and the corporation lawyers and their clients. The masses of the people want shorter hours and better pay. If packing or unpacking the Court will open the way for hour reductions and pay boosts, it will be all "jake" with the people. Thomas Jefferson did not lose any votes by his set-to with the Court—neither is Mr. Roosevelt likely to.

Certain cults may make a fetish of the Constitution and deify the Court but what the people want is jobs, and de-

cent wages, and a little more than a pauper's share of the Nation's prosperity, and they have a hunch that the Supreme Court blocks their way to these blessings.

My chief reason for supporting the President's proposal is that I fear what may lie just ahead of us. I believe that until far more is done than this administration seems to have in mind our burden of unemployment will, with some fluctuations, grow steadily worse. How much longer can we afford to waste the productive capacity of eight or ten millions of our workers? How long can we pyramid our debts to carry these immense relief and work-relief rolls? The end of this must come and God knows how it may come, or how soon.

TIRED OF WAITING FOR A JOB

One of our relief offices was the scene the other day of a shocking tragedy. A jobless colored man walked into the office and shot down three of the attendants. In explanation he said:

I just got tired of coming here week after week and being told there wasn't any work.

How many crimes like that is it going to take before we feel sufficiently our own social guilt in temporizing with this problem of unemployment? Are we going to wait until such vengeance spreads to the mass and we invite a hurricane of wrath? Democracy will never ride such a storm. This will be the end of the Republic of our dreams.

I fear this result. If it comes, I do not want to be blamed for it. I do not want it said of me that by blocking the President's proposal to modernize the Court I contributed to this revolutionary chaos.

The President says he needs a modern Court. I will vote to give it to him. I will not stand in the way. I will not take that responsibility.

But neither can I take the responsibility for not speaking out and telling the President what I think about him and his Court proposal. I do not think the blame is all with the Court. I think much of the blame is with the President and with Congress. It does seem to me that the President is right; that we need a reasonable interpretation of the Constitution as it stands more than we need amendments to the Constitution.

NOT ALL THE COURT'S FAULT

But this Court issue should not hide from us the fact that, without any interference from the Court, we might have done far more than we have done.

It was not the Supreme Court that foisted on the Nation the old-age insurance plan of the Social Security Act. It was the President and Congress who did that. That is a plan to make the poor pay for their own pensions. It is a plan to save the rich that expense. As a method of taxation it is abominable. It does just the reverse of what the

economic situation requires. It is a botch of statesmanship. It reduces the purchasing power of labor, which should be increased. The tax on pay rolls is a sales tax. It reduces the purchasing power of the public, which should be increased. We need to take money from the top and pour it out at the bottom. The Social Security Act takes it from the bottom and spends a huge part of it in an appalling job of bookkeeping and bureaucratic business.

A BAD OLD-AGE PENSION PLAN

Instead of having a swarm of Government officials to keep tab on thirty millions of workers throughout their entire life, in order to make them pay for an old-age pension which will not average over \$30 a month for a man and nothing at all for his wife, what the President and Congress should have done was to enlarge the grants in aid to the States. Why keep books on people until they are 65 years of age? Why not forget them until they are 65 and then, if they are alive, pay them a decent pension out of income taxes? A compulsory insurance system supported by a tax on wages and pay rolls is necessarily applicable to only a part of the people, while the benefits are certain to be inadequate for decent old-age support. This compulsory insurance plan should be abandoned and a noncontributory plan should be adopted as a permanent policy. If you attempt to force the masses of the working people to pay out of wages even half the cost of adequate old-age insurance, you are still further reducing purchasing power which is already inadequate for a proper standard of living.

But, as I see it, the most urgent duty before the President and Congress is to adopt, without delay, an effective policy for the complete abolition of unemployment.

Anything would be desirable which would help to so improve the industrial situation that those now unemployed would be automatically absorbed in industry. Some of the legislation needed for this purpose is still held to be unconstitutional. I would put nothing in the way of the President getting such legislation. Neither Congress nor the Court should stand in the way of it.

FACE THIS PROBLEM OF UNEMPLOYMENT

But whatever general improvement may be expected, we should prepare to deal with a serious problem of unemployment as a permanent condition for years to come.

Obviously, the only way to meet this problem is by a greatly expanded public-works program. We should plan enough of this work and spend enough on it to insure every unemployed worker a steady job at better than depression relief wages.

There is no lack of work needing to be done on flood-control projects, rehousing, reforestation, soil preservation, road building, and so forth. Workers so employed should not have to come from relief rolls as at present. There should be no means tests and no implications of public charity.

W. P. A. projects are not now half meeting the need. We shove the rest off on local relief rolls, disregarding the fact that funds for local relief are shamefully inadequate. If we are going to give these people more than empty words, if we are actually going to guarantee all of them the right to work and be useful, and that is their right, we shall have to stop talking about balancing the Budget and agree to vastly larger expenditures. How such an expanded public-works program should best be supported is debatable, but I do not think that increased taxation and increased borrowing are the only alternatives. I would like to see this Congress lay upon the President a mandate to issue Treasury notes to any extent necessary to keep enough desirable public works going to entirely abolish the shame and the danger of the mass unemployment which is engendered by our economic system.

To the Congress, and especially to the President of the United States, I want to say that I think the masses of the American people favor a reorganization of the Supreme Court because they think it will bring them relief from the twin evils that they suffer—unemployment and low pay.

YOUR RESPONSIBILITY, MR. PRESIDENT

But in being given this power to reorganize the Court the President is shouldering an awful responsibility. For then the people will begin to say to him: "We have given you the

power you asked for. Now where is our relief? Where are our jobs? Where is our increased pay?" With the Court reorganized, Congress and the President will have all the power they need to absolutely abolish unemployment and poverty in this land. If in the years of this administration this is not done, I think the popularity of the President on coming into his second term will be more than equaled by his unpopularity in going out, and we, as Congressmen, will be covered with the deserved opprobrium of an indignant people.

And if the bright hopes of this hour are thus turned to disappointment and bitterness we may well tremble for the future of democracy in our land and throughout the world.

[Here the gavel fell.]

Mr. UMSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, I feel that it is only fair to my colleagues here in this body and to my constituents who commissioned me to come here that I frankly state my position in reference to the President's proposal in connection with the Federal court, and my reasons for taking the stand that I do.

At the outset, I want to say that I recognize the tremendous importance of the judicial branch of government in our political structure. It is not fair to say that it is more important than the legislative and executive branches, because such is not the fact. Neither is it fair to state that the judicial department is less important than either of the other two. Each, in its own sphere, has its importance. I certainly would not support any proposal to take away from the judiciary its independence of action in its particular field.

It would be well to say too, here, that by no stretch of the imagination, can anyone say that the proposal has any bearing on the personal guarantees in the Constitution. Every safeguard of personal liberty is preserved. The proposal certainly is not open to attack upon this ground. None need have the slightest fear of any loss of personal liberty now possessed. I am ready to take my stand with the President in his proposal. [Applause.]

I. THREE DEPARTMENTS OF GOVERNMENT NECESSARY

The problem that confronts us for solution in connection with the President's proposal is not one of depriving the Supreme Court of its independence, or powers conferred upon it by the Constitution and the laws that Congress has enacted thereunder. The problem is rather one of securing within the powers granted to the legislative and executive departments a personnel on the Supreme Court that will view the provisions of the Constitution of the United States in the light of present-day conditions, in order that the Nation may continue to exist under a constitutional form of government.

Judicial interpretation of constitutional provisions must be broad enough to recognize the importance of the other two branches of government. When the executive and legislative departments of the Government seek to cure dangerous, destructive, and threatening situations resulting in great injury to millions of citizens, such efforts must not be nullified by the judicial branch of our Government. This is exactly what has been occurring in reference to major New Deal measures. Unless we can secure a fair distribution of our national income, and assure to our citizenship a greater degree of social justice, then, indeed, our constitutional form of government is in serious danger.

II. WE ARE LEARNING ABOUT OUR GOVERNMENT

Whatever the ultimate outcome of the President's proposal may be, it has already resulted in great good to the American people. Millions of people who heretofore gave no thought to constitutional grants of power and constitutional limits of power, are now receiving a liberal education concerning our Government. There undoubtedly is, and will continue to be, better understanding of what constitutional government means in this country. Citizens are coming to a recognition of the fact that no department of government is sacred nor above constructive criticism. During the recent past, a sort of halo has been placed around the

Supreme Court of the United States and this sentiment, to a degree, carried over into the inferior Federal courts. A life position given to any man does not change the inherent nature, disposition, or manner of thought of that man. The natural tendency would be that it would result in a more dictatorial attitude than would otherwise be shown. There is a vast distinction between independence of thought and action, and arbitrary dictatorship.

III. MANDATE OF THE PEOPLE

In the general elections of 1932, 1934, and again in 1936, with ever-increasing majorities, the American people have expressed themselves in favor of the social, humane, and economic legislation proposed by the President. With a few exceptions, every New Deal proposal that the Congress has enacted into law which has reached the Supreme Court, has been by judicial decree nullified. There are now pending cases in the Supreme Court challenging every major legislative enactment of recent date which seeks to better the condition of the common man and woman in America.

The Supreme Court, by its decisions, has said that it is unconstitutional—

First. To prohibit child labor as a national policy.

Second. To fix a low-wage limit for women workers, either as a State or national policy.

Third. To authorize labor to bargain collectively.

Fourth. To collect a tax to help the farmer.

Fifth. To legislate on old-age pensions, as in the recent Railroad Retirement Act.

These holdings indicate very strongly that it will further rule that the Federal Government cannot protect the individual businessman and merchant from the threat of destruction now confronting him by the great monopolies and chains.

IV. CRITICISMS OF PRESIDENT'S PROPOSAL UNJUSTIFIED

The charge that the President's proposal is unheard of, cannot be supported by facts. American history discloses that the number of judges on the Supreme Court has been changed six times by congressional action. The Court was established with six members in 1789. Twelve years later its membership was reduced to five, and six years later it was increased to seven. Thirty years later, or in 1837, it was increased to nine. This was during the administration of Andrew Jackson.

In 1863, two years after the beginning of the Civil War, when the great Lincoln was President, the Court was increased to 10 members. Three years later, when Andrew Johnson was carrying on his fight with the Congress, it was reduced to seven members. Then, finally, in 1869, with President Grant in the White House, it was increased to nine members.

Study of American history in those periods will reveal that the changes in the Court were made largely because the Court had ceased to be responsive to the needs of the Nation at that time in its interpretation of the Federal Constitution. An impartial student of history would be compelled to admit that each change tended to build firmer the foundations of American government. He would have to admit further that had the personnel of the Supreme Court in 1857 been made up of men who were conscious of changing times and conditions, there never would have been a Dred Scott decision. It is not unreasonable to conclude likewise, that there never would have been a bloody four years of Civil War.

V. JUDICIAL MISTAKES DANGEROUS

Judicial decisions can far more easily wreck or even completely destroy constitutional government in America than can either legislative or executive action. Judicial mistakes become guideposts to be followed through future years, legislative and executive mistakes are always subject to correction at the next general election.

It has not been 90 days since I left 10 years of active service upon the highest trial bench of my State. I feel that I can reflect, in a small degree, the judicial viewpoint. I am conscious in a small measure, likewise, of the tremendous power that must be placed in the judiciary. I

know the importance of an independent judiciary to our system of government.

VI. INDEPENDENCE OF THE JUDICIARY WOULD NOT BE DESTROYED

The proposal of the President is granted by all who have ever read article III, section 1, of the Constitution to be perfectly constitutional. It is strictly within the provisions of that great document.

President Roosevelt has already carried us through one of our great national crises which reached its climax about the time he took office in March 1933. He has demonstrated his patriotism, honesty, and loyalty to American principles and ideals equal to that of any President in all of our history. Would any person charge him with stultifying himself and the high office he occupies by requiring a pledge of any man he might appoint to the Supreme Court before he made such appointment? I am sure none but the most selfish and bitter partisan would do this.

What I have just said will scarcely be challenged by anyone who wants to be fair. All of us know that any new judge appointed will compare favorably in character, learning, and patriotic impulses with the distinguished men who now serve on the Supreme Court and who in the years gone by have served on that great Court. Why should there be this hue and cry of "packing" the Court? Why this charge that the President's proposal is proceeding beyond the broad outlines of the Constitution itself?

The answer to these questions is largely found in the fact that New Deal legislation enacted, and that proposed, is in the interest of the common people of America. This legislation limits, restrains, and restricts special privilege and human greed. It is the beneficiaries of present day social injustices who are using every agency at their command to mislead and poison the mind of the American public. The identical forces that fought the reelection of President Roosevelt last November are fighting this proposal. The appeal that they make is not to reason nor in most instances is it based upon facts. It is designed to arouse the emotion of fear that all men possess. It will not, and cannot, succeed in this crisis because the fear generated by the insecurity and the privation now suffered by the American people exceeds that of any fear that the President's opponents can set in motion.

It is a fact that the leaders of the Republican Party are unanimously opposed to this program. Such opposition is purely partisan and for the sole purpose of being later used in political campaigns. This matter, however, should rise above a partisan basis. If you believe conditions of the Hoover administration are what you want, then you should oppose the judicial reform proposal. If you believe that there is no place in America for extreme poverty, enforced idleness, and the misery that comes from insufficient food, clothing, and shelter, where we have an abundance of all these material things, then you should support the President's judicial reform program.

VII. CONSTITUTIONAL POWERS

The most profound student of the Federal Constitution will not contend that anywhere within that document can language be found granting the Supreme Court power to declare legislative acts unconstitutional. In the early case of *Marbury v. Madison*, Justice John Marshall enunciated the doctrine of implied powers. I have no fault to find with the Court passing upon the constitutionality of Federal acts. They have perhaps gained that right by the doctrine of prescription. It has been acquiesced in too long to be now denied. The President's proposal does not in any way encroach upon this power.

The implied power to test the constitutionality of a legislative act being granted and that power in no way being limited by the President's proposal, then why should it be said that he is setting up a dictatorship, that he is "packing" the Court, that American liberties are threatened, or that ulterior forces seek to destroy constitutional government?

The President's proposal would bring men fresh from present-day life and from close contact with present-day conditions onto the Supreme Bench with a degree of frequency sufficient to insure an interpretation of that great document

in keeping with its spirit and viewed from existing conditions. Such interpretations would make it a living, growing instrument of government. It would be, as its framers intended, an instrument of creation, not an instrument of destruction, such as recent interpretations have tended to make of it.

Granting the implied power that the Supreme Court has taken unto itself, to interpret legislative acts, it does not follow that the Court should go beyond the field of judicial interpretation.

The Court in the last 25 years has shown a constant tendency to invade and restrict the legislative and executive branches of the Government. The situation prevailing now and that has prevailed for sometime past is that five men can force their personal opinions relative to political, economic, and social conditions upon 130,000,000 people. The critics of the President say we are helpless unless we amend the Constitution.

VIII. NUMBER AND QUALIFICATION OF JUDGES

The framers of the Constitution left to the legislative and executive branches of the Government the power without limitation of fixing the number and qualifications of the men who sit upon the Supreme Court. Congress has the power not alone to fix the number of Judges that that Court shall have from time to time, it has the power to fix limitations as to their age, as to their personal professional fitness, as to whether they must be natural born or naturalized. Personally I would favor legislation providing an age limit, at least that now fixed for the President. It might even be wise that instead of being 35 years of age, such judges should be at least 45. I think the President should be limited to appointing none but natural-born American citizens. There is nothing in the Constitution that requires legal training or previous judicial experience for those appointed to the Federal courts. For 150 years every appointee to the Bench has been a man trained and educated in the legal profession. I am sure that all future appointees would come from the same profession. If there be fear that men unfit in the matter of training, experience, age, or nativity would be appointed, that could very easily be remedied by a legislative act.

From all of this it is evident that the framers of the Constitution did not intend to set members of the Supreme Court upon a high pedestal, separate and apart from all other citizens or public officials. As a matter of fact, we all know that becoming a Judge of the Supreme Court cannot, and does not, make a man a saint, and does not in itself make of him a wise man. What a man is, and was, before he became a Judge, he will be after. If there are any who fear that the President might not wisely select his new appointees, that fear should be allayed by the safeguard in the law requiring that before such a man could become a Judge a critical Senate must confirm the appointment.

IX. ABUSE OF CONSTITUTIONAL POWER

The Supreme Court of the United States, since it has assumed the power to interpret legislative acts, has expanded that power until today there is no act involving a national policy of the Congress, if it fails to meet the political and economic views of five Judges on the Bench, which cannot be declared unconstitutional.

The phrases "interstate commerce", "due process of law", and the "general welfare" have all been so interpreted, defined, and enlarged upon that they virtually leave five Judges of the Supreme Court as the final and absolute source of authority in America. In times like these this is dangerous.

X. AMENDING THE CONSTITUTION

It is suggested that the Constitution be amended to meet the President's proposal. An amendment is useless and unnecessary, because his proposal is conceded to be constitutional.

If an amendment could be submitted which conferred upon Congress express authority to legislate upon all or any part of the problems that have arisen in recent years involving production and distribution, we would have no

assurance that it would be effective. The very purposes sought to be affected could be defeated and nullified by judicial decision.

To illustrate, for more than 20 years under a congressional act the United States Government collected an income tax; then suddenly, in 1895, the Supreme Court declared that could no longer be done (*Pollock v. Farmers' Loan and Trust Company*, 157 U. S. 429). It is true that they said Congress has the power under the Constitution to tax incomes, but they cannot tax such incomes if they are derived from real or personal property, because such a tax would be a "direct tax." Following this decision there was a national wave of indignation. People had come to realize the menace of great fortunes. Agitation was instituted to amend the Constitution. It was 18 years before the amendment was finally written into the Constitution.

XI. AGAIN THE EFFECTS OF JUDICIAL CONSTRUCTION

We wrote into our Constitution the following language:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census enumeration.

Could any language be written that is plainer than the foregoing? Could even the man and woman who knows no law at all misunderstand this language? Is there room to dispute that here was granted an unrestricted and unlimited authority upon Congress to levy income tax?

The Supreme Court of the United States after the enactment of this amendment found in cases brought before them that—

It was unconstitutional for Congress to levy an income tax against Federal judicial salaries (*Evans v. Gore*, 253 U. S. 245).

They found that—

An officer who is employed by a State was exempt from paying a Federal income tax (*Metcalf and Eddy v. Mitchell*, 269 U. S. 514).

They found that—

Income derived in the nature of stock dividends was not in fact income such as contemplated in the constitutional amendment (*Eisner v. Macomber*, 252 U. S. 189).

They found that—

Income derived from interest collected by owners of State and municipal bonds was not actually income as defined by the sixteenth amendment (*Brushaber v. Union Pacific Railway Co.*, 240 U. S. 1).

The foregoing illustrates how easily by the judicial process of interpretation, the very intent and purpose of a constitutional provision and amendment can be defeated by five men who oppose that which is new and different. This, in spite of the well-recognized rule that the earlier enactment must always give way to the later, in case of conflict.

XII. THE GENERAL WELFARE CLAUSE

The recent six to three decision of the Supreme Court, holding invalid the Triple A law, is perhaps the most glaring instance in American judicial history of a Court leaving the judicial field and going over into the political and legislative field. (*United States v. Butler*, 56 Sup. Ct. 320 (1936).)

The express grant of powers given the Congress by the Constitution in clause 1, section 8, article I, reads so far as applicable, as follows:

Congress shall have the power to lay and collect taxes, duties, imposts, and excises * * * for the general welfare of the United States.

It would seem that even the most untutored layman could read but one thing out of this language, and that is, that Congress shall be the judge of what constitutes "general welfare" when they levy the tax. In the Triple A decision the six Judges who nullified that wholesome piece of legislation which gave the farmers of America the same type of protection that we have for almost a hundred years extended to private industry, said in substance, "We do not believe that the law you have enacted will be for the general welfare."

In writing this decision, the majority of the present Court went so far beyond what most of us had even dreamed was their power as to cause many to wonder whether, in fact,

we did not live under a judicial oligarchy instead of under a constitutional form of government. If the "general welfare" clause of the Constitution is to become a subject of judicial interpretation, as have the "interstate commerce" and "due process clauses", then no Congress can enact a law and no President can execute a law feeling sure that it is constitutional.

XIII. CONCLUSION

It is evident that every beneficiary of advantage and privilege wants the Court to remain as it is. They want a Court that thinks in terms of conditions as they used to be. They want a Court that will view legal principles entirely by standards set up at a time when there was neither extreme wealth or extreme poverty. They want a Court, the majority of whom unconsciously serve the country by serving the accumulated wealth of that small group that dominate the industrial, economic, and financial life of this Nation today.

You will find every great industrialist, every great international banker, and every individual who has enjoyed advantage and privilege over his fellows fighting the President's proposal.

I do not find fault with, nor do I intend to criticize, those fine men and women who purely out of patriotic motives oppose the suggested reform in our Federal judiciary. They are sincere. They are entitled to their opinions. We have no right to challenge their good faith. This group, however, is far in the minority of the whole group who are found fighting the President's proposal.

If the American people want legislation within the limitations fixed by the Constitution that will give the American farmer a chance to live and accumulate something to enjoy modern comforts and conveniences, then they will favor the President's proposal. If the American people want the laboring man to get a fair share of what we produce under respectable and decent working conditions, then they will favor the President's proposal. If the American people want the independent businessman and the individual professional man to continue to be a part of our life and to prosper, then they will favor the President's program. If the American people believe that every decent, self-respecting man and woman when they grow old is entitled to live in comfort and enjoy present-day blessings, then they would favor the President's proposal. If the American people want the youth of America to have an opportunity to look into life with hope, then they will favor the President's judicial program.

In my humble judgment, a denial of the right of the American people to govern themselves under their own Constitution, because five men out of 130,000,000 people say they do not approve of the methods being used, is the gravest threat to constitutional government that this Nation has ever had to meet.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I yield.

Mr. KITCHENS. In view of the amendment to the Constitution authorizing the income tax and with respect to the statement of the Supreme Court that it would not apply to salaries received by Federal judges, does not the gentleman think that in any event it would apply to all judges nominated and confirmed after this amendment was adopted?

Mr. LEAVY. Yes; I think it would apply under any circumstances because of the fact it is the last expression of the people in reference to the fundamental law. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. HAMILTON].

Mr. HAMILTON. Mr. Chairman, I desire to speak with reference to certain important items that I think should be considered in connection with the naval appropriation bill now before the House.

By an act of Congress approved June 14, 1934—Public, No. 347, Seventy-third Congress—authority was given to acquire additional tracts of land adjacent to and lying southeastwardly from the Hampton Roads naval operating base at Norfolk, Va., this land being generally known as East Camp, together with such additional land adjoining this said East Camp site as necessary for the development and expansion of naval air activities at the Norfolk station

and comprising approximately 540 acres, being bounded by Masons Creek on the north and east, Bush Creek on the west, and the Virginian Railway on the south. There was by Congress authorized to be appropriated for the purchase of this entire tract the sum of \$400,000.

By an act of Congress approved April 15, 1935—Public, No. 36, Seventy-fourth Congress—authority was given the Secretary of the Navy to proceed with the construction at the "Naval air station, Norfolk, Va.; barracks and mess hall for enlisted men at cost of \$500,000."

In hearings before the Naval Appropriations Committee in the Seventy-fourth Congress, Rear Admiral Smith, Chief of the Bureau of Yards and Docks of the Navy Department, pointed out the immediate necessity of a sea-wall replacement at the Hampton Roads naval base to protect and preserve filled areas comprising a major portion of the water front of that important operating base. Admiral Smith estimated the cost of this sea-wall replacement at \$600,000. The Seventy-fourth Congress eventually appropriated \$300,000, or half of this estimated cost, and there has been a beginning on this important work, but \$300,000 more is needed to complete the project.

The Norfolk Naval Air Station is one of the most important in the country and possibly the most important on the Atlantic coast.

The aircraft overhaul department at the Norfolk Air Station, already developed into great importance—though greatly cramped for operating floor space—was as far back as June 1934 commended for "remarkable efficiency record" by Rear Admiral E. J. King, then Chief of the Bureau of Aeronautics. Further, in commendation of the aircraft overhaul department at Norfolk, Rear Admiral King said:

The overhaul shops at Norfolk were first among Navy shops to attain a consistent average of 40 calendar days for the overhaul of scout-type planes. This was accompanied by marked savings in man-hours and material required for all types of airplanes, without cheapening the quality of overhaul. In engine overhaul, the Norfolk shops were first to achieve a major overhaul of a 1340 engine in less than 130 direct man-hours, and this was accompanied by a reduction in calendar days and material required for overhaul without any sacrifice of the quality of overhaul. This preeminence has resulted in economies at Norfolk and has pointed the way to possible economies in other Navy shops. These results are the more remarkable in that they have been accomplished during a period of diminishing work load and drastic reduction in shop force.

Now, the Norfolk aircraft overhaul department has grown so until there is not room for wholly efficient work without a great deal of lost motion. There is at this time, by urgent necessity, in temporary use an airplane hangar for wing, carpenter, and cleaning shop work. A great deal of time is thus lost in carrying airplane parts back and forth between this hangar and the main overhaul shop. Accompanying photographs here exhibited give some idea of crowded and almost unworkable conditions for greatest efficiency in one of the Nation's most important aircraft overhaul shop divisions. Here the sum of \$500,000 is urgently needed for replacements and extensions.

With the Navy greatly increasing its aircraft—this bill we today consider showing more than \$29,000,000 for replacement, additional increment, new planes for Naval Reserves, and so forth—what is to be done when provision is not at the same time made for adequate aircraft overhaul-department facilities?

And what is to be done to care for the enlisted personnel, with no action taken for the appropriation of funds under authorization already made for adequate barracks and mess hall to replace present dilapidated buildings at the Norfolk naval base, a condition already known to some Members of Congress, who have seen existent inadequate barracks and mess-hall conditions at the Norfolk base? If the American Fleet should be suddenly transferred to the Atlantic coast and to Hampton Roads, where it would naturally come for base, there would be found an almost collapsed condition for care, especially of aircraft personnel, because of inadequate housing facilities at the Norfolk base. Even with appropriation of the \$500,000 already authorized, provision would only come from this amount to care for the housing in barracks quar-

ters of some six to eight hundred men. But shortly and before anything could be done, at best there will come the commissioning of the new aircraft carriers *Enterprise* and *Yorktown*, and in this connection there will be needed at the Norfolk naval air base quarters for some 1,200 men, all in addition to the main crews of the *Enterprise* and *Yorktown*, these 1,200 additional men to be engaged with 8 squadrons of airplanes—some 140 planes in all—in maneuvers from July to the close of the current year. Under present conditions, inadequate barracks at the Norfolk base will result in a large part of these 1,200 men having to be housed on the outside.

It is to be greatly regretted that neither the general Budget, as it came to Congress, nor the Appropriations Committee, in framing the legislative bill now before us, found it possible to care for the important items I have here presented as well as many much-needed improvements at the Norfolk Navy Yard, where there is great requirement for such things as additional pier, quay walls, and so forth, for repair and other operations, new dispensary building and accessories, additional cranes, important foundry additions, improved railroad tracks, and so forth. The last Congress fortunately appropriated \$125,000 for important additional machine-shop construction at the Norfolk Navy Yard. This construction will soon be under way. But, when completed, there will be only a building, a shell as it were, with no machinery that should have been provided for at a cost of not less than \$150,000. This machinery, however, may be had out of general appropriations to the Navy for mechanical tools provided in the present bill; but, even so, there will be nothing available until July 1, unless Congress should make present contemplated appropriations available upon passage and approval of this bill, and such should certainly be done.

I submit these presentations as highly important to the general welfare of the Navy and important establishments thereof at strategic Atlantic coast locations. [Applause.]

Mr. UMSTEAD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. VINSON of Kentucky] having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5232, the naval appropriation bill, had come to no resolution thereon.

HOOR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a. m. tomorrow.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEEN, indefinitely, on account of important business.

To Mr. HANCOCK of North Carolina, for several days, on account of sickness in family.

To Mr. O'CONNELL of Montana, for today, on account of important business.

ORDER OF BUSINESS

Mr. UMSTEAD. Mr. Speaker, I ask unanimous consent that debate upon the pending bill making appropriations for the Navy Department proceed tomorrow for 40 minutes, that the debate be confined to the bill, to be equally divided between the gentleman from Pennsylvania [Mr. DITTER] and myself, and that upon the conclusion of the 40 minutes' debate the bill be read for amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJOURNMENT

Mr. UMSTEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House, under its order previously made, adjourned until tomorrow, Friday, March 5, 1937, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

413. A communication from the President of the United States, transmitting estimates of appropriations for the Department of Justice, for the fiscal year 1938 for buildings and equipment, penal institutions; medical and hospital service, penal institutions; and Federal jails, maintenance, amounting to \$3,491,265, in substitution of estimates for the Department under the same headings in the Budget for the fiscal year 1938 (pp. 128, 479, and 484), amounting to \$1,595,265 (H. Doc. No. 163); to the Committee on Appropriations.

414. A letter from the Acting Postmaster General, transmitting the proposed form of a bill to improve the delivery system of the Post Office Department; to the Committee on the Post Office and Post Roads.

415. A letter from the President, Board of Commissioners, transmitting the draft of a proposed bill to define, regulate, and license real-estate brokers and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions, and for other purposes; to the Committee on the District of Columbia.

416. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 2, 1937, submitting a report, together with accompanying papers, on a preliminary examination of Passaic River, N. J., from the Eighth Street Bridge, Wallington, to the Passaic Street Bridge at Garfield, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. NELSON: Committee on Agriculture. Senate Joint Resolution 75. Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs; with amendment (Rept. No. 356). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES: A bill (H. R. 5326) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes; to the Committee on Agriculture.

By Mr. DICKSTEIN: A bill (H. R. 5327) to provide for additional compensation to jurors in criminal cases; to the Committee on the Judiciary.

By Mr. DIRKSEN: A bill (H. R. 5328) to provide for the construction by the Secretary of the Navy of a Federal building for use as a Naval Reserve armory of the ninth naval district; to the Committee on Naval Affairs.

By Mr. FORAND: A bill (H. R. 5329) for the better assurance of the protection of persons within the several States

from mob violence and lynching, and for other purposes; to the Committee on the Judiciary.

By Mr. MANSFIELD: A bill (H. R. 5330) to provide for hurricane patrol in the Gulf of Mexico and environs during the hurricane season; to the Committee on Merchant Marine and Fisheries.

By Mr. RANKIN: A bill (H. R. 5331) to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. COCHRAN: A bill (H. R. 5332) authorizing allotment of pay by civilian personnel stationed abroad; to the Committee on Expenditures in the Executive Departments.

By Mr. KOPPLEMANN: A bill (H. R. 5333) to assure to all persons within the District of Columbia full and equal privileges of places of public accommodation, resort, entertainment, and amusement, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H. R. 5334) to incorporate the Italian-American World War Veterans of the United States; to the Committee on the Judiciary.

By Mr. McCORMACK: A bill (H. R. 5335) to authorize remission or mitigation of liabilities incurred under certain customs bonds; to the Committee on Ways and Means.

By Mr. WELCH: A bill (H. R. 5336) to amend the act of February 23, 1927, as amended (U. S. C., title 47, sec. 85), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of New York: Resolution (H. Res. 147) authorizing the printing of 5,000 copies of the report of the Joint Committee on Internal Revenue Taxation entitled "The Taxing Power of the Federal and State Governments"; to the Committee on Printing.

By Mr. RANKIN: Joint resolution (H. J. Res. 260) authorizing and directing the Federal Trade Commission to make an investigation with respect to alleged efforts of privately owned public utilities unfairly to control public opinion concerning municipal or public ownership of electrical generating or distributing facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: Joint resolution (H. J. Res. 261) providing for control of wind erosion in the Great Plains; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York: A bill (H. R. 5337) for the relief of Charles B. Murphy; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 5338) for the relief of George Shade and Vava Shade; to the Committee on Claims.

By Mr. ELLENBOGEN: A bill (H. R. 5339) granting a pension to Evangeline R. Butler; to the Committee on Pensions.

By Mr. FITZPATRICK: A bill (H. R. 5340) for the relief of Giuseppe Liso; to the Committee on Immigration and Naturalization.

By Mr. GRAY of Indiana: A bill (H. R. 5341) granting a pension to Grace A. Beatty; to the Committee on Pensions.

Also, a bill (H. R. 5342) granting a pension to Goly Weese; to the Committee on Pensions.

By Mr. HENDRICKS: A bill (H. R. 5343) granting a pension to Alta Manypenny; to the Committee on Pensions.

By Mr. JACOBSEN: A bill (H. R. 5344) for the relief of the heirs of William McGarrahan; to the Committee on the Public Lands.

By Mr. LANZETTA: A bill (H. R. 5345) for the relief of Corrado Arancio; to the Committee on Immigration and Naturalization.

By Mr. MASON: A bill (H. R. 5346) for the relief of John August Johnson; to the Committee on War Claims.

By Mr. MAPES: A bill (H. R. 5347) for the relief of the estate of Mrs. Ray E. Nies; to the Committee on Claims.

By Mr. POAGE: A bill (H. R. 5348) for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 5349) granting a pension to Leah Kesterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5350) granting an increase of pension to Julia E. Wilson; to the Committee on Invalid Pensions.

By Mr. SACKS: A bill (H. R. 5351) for the relief of Joseph Pasquarello; to the Committee on Military Affairs.

By Mr. SMITH of West Virginia: A bill (H. R. 5352) to provide for the appointment of James W. Grose as a sergeant, first class (master sergeant), United States Army; to the Committee on Military Affairs.

By Mr. SPARKMAN: A bill (H. R. 5353) for the relief of Susan Lawrence Davis; to the Committee on Claims.

By Mr. THOMAS of New Jersey: A bill (H. R. 5354) for the relief of Charles Somogi, Jr.; to the Committee on Claims.

Also, a bill (H. R. 5355) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Joseph A. Dugan; to the Committee on Claims.

By Mr. WADSWORTH: A bill (H. R. 5356) granting a pension to Jennie Smith; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 5357) for the relief of Gunhard Nesvig; to the Committee on Naval Affairs.

By Mr. WILCOX: A bill (H. R. 5358) for the relief of Charlotte Forsling; to the Committee on Claims.

By Mr. ZIMMERMAN: A bill (H. R. 5359) granting an increase of pension to Sarah S. Crow; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

737. By Mr. COFFEE of Washington: Petition of the Building Service Employees' International Union, Local 23, Seattle Central Labor Council, Seattle, Wash., and Seattle Central Labor Council, protesting against the unjust dismissal of one Vincent McGrath from the Post Office Service, as said Vincent McGrath had acted as accredited representative of Post Office Clerks' Union in presenting grievances about the management of the Seattle post-office department, and further demanding that investigation be had at once to the end that such injustice be corrected and no employees intimidated against, nor his affiliations be used as a ground for his discharge; to the Committee on the Post Office and Post Roads.

738. By Mr. CONNERY: Petition of the Commonwealth of Massachusetts, memorializing the Congress to propose an amendment to the United States Constitution relative to the determination and establishment of minimum wages for women and children; to the Committee on Labor.

739. By Mr. GOODWIN: Petition of citizens of the township of Shandaken, N. Y., protesting against the packing of the Supreme Court; to the Committee on the Judiciary.

740. Also, petition of citizens of Sullivan County, N. Y., voicing opposition to the President's proposal to reorganize the Supreme Court; to the Committee on the Judiciary.

741. Also, petition of the New York State Bar Association, Albany, N. Y., opposing legislation affecting the membership of the Supreme Court; to the Committee on the Judiciary.

742. By Mr. CRAWFORD: Petition of certain residents of Alma and St. Louis, Mich., protesting against the President's bill or any substitutes giving the President power to remake the Supreme Court; to the Committee on the Judiciary.

743. Also, petition of Lloyd Purves and other residents of Owosso, Mich., protesting against a proposal to revise the Supreme Court; to the Committee on the Judiciary.

744. Also, petition of Anna Chapin and other residents of St. Johns, Mich., protesting against any proposal to increase

the number of Justices of the Supreme Court; to the Committee on the Judiciary.

745. Also, petition of certain residents of Saginaw, Mich., opposing the President's Supreme Court proposal; to the Committee on the Judiciary.

746. By Mr. CULKIN: Petition of the New York State Bar Association, opposing legislation affecting the membership of the Supreme Court; to the Committee on the Judiciary.

747. Also, petition of Charles D. Card and others, of Watertown, N. Y., opposing legislation preventing the free dissemination of information and curtailing the right of free speech; to the Committee on the Judiciary.

748. Also, petition of Nellie Guinup and others, of Watertown, N. Y., opposing legislation preventing the free dissemination of information and curtailing the right of free speech; to the Committee on the Judiciary.

749. Also, petition of Clara McKinney and others, of Brainardsville, N. Y., opposing legislation preventing the free dissemination of information and curtailing the right of free speech; to the Committee on the Judiciary.

750. Also, petition of H. Anderson and others, of Watertown, N. Y., opposing legislation preventing the free dissemination of information and curtailing the right of free speech; to the Committee on the Judiciary.

751. Also, petition of Arthur J. Peterson and others, of Watertown, N. Y., opposing legislation preventing the free dissemination of information and curtailing the right of free speech; to the Committee on the Judiciary.

752. Also, petition of G. A. Gaines and others, of Smithville, N. Y., opposing legislation preventing the free dissemination of information and curtailing the right of free speech; to the Committee on the Judiciary.

753. By Mr. FITZPATRICK: Petition of the Italian Cloak, Suit, and Skirt Makers' Union, Local No. 48, urging the judicial reform as outlined by the President; to the Committee on the Judiciary.

754. Also, petition of the Hat Trimmers' Local No. 21, Yonkers, N. Y., urging support of the President's judiciary program; to the Committee on the Judiciary.

755. By Mr. FORD of California: Resolution by the Los Angeles Central Labor Council, representing more than 75,000 members, emphatically approving the changes in the Federal judiciary, including the United States Supreme Court, as they believe that through this proposed legislation laws for the betterment of all the people and advancement of the Nation as a whole can be enacted and made effective; to the Committee on the Judiciary.

756. By Mr. FULLER: Memorial of the Arkansas General Assembly, urging an appropriation of \$14,000,000 for vocational education as authorized under the George-Dean Act; to the Committee on Appropriations.

757. Also, petition of M. G. Ellis and 64 others, of Gentry, Ark., protesting against the appointment of additional Supreme Court Justices; to the Committee on the Judiciary.

758. By Mr. MAPES: Petition of 102 residents of the Fifth District of Michigan, protesting to the possibility of legislation suppressing freedom of religious worship, free speech, and a free press; to the Committee on the Judiciary.

759. By Mr. MERRITT: Resolution of the Citizens' Independent Convention of Rye, N. Y., a nonpartisan convention, disapproving and opposing legislation recently submitted to the Congress by the President insofar as such legislation proposes to increase the size of the Supreme Court or to effect a wholesale change in its membership under threat of such increase, thereby tending to impair its independence as a judicial tribunal; to the Committee on the Judiciary.

760. Also, resolution of the Champlain Chapter, Daughters of the American Revolution, of Crown Point and Port Henry, urging opposition of any bill which increases the size of the Supreme Court and destroys its potency; to the Committee on the Judiciary.

761. Also, resolution of the Queens County Council, Veterans of Foreign Wars of the United States, requesting that Congress provide an additional hospital of such size in the city of New York as shall accommodate veterans now forced into private institutions; to the Committee on Military Affairs.

762. Also, resolution of the Queens County Council, Veterans of Foreign Wars of the United States, requesting that the Veterans' Administration open additional beds at the Brooklyn Naval Hospital to the veterans of foreign wars in hospitalization; to the Committee on Military Affairs.

763. Also, resolution of the Bayside Republican Club, disapproving of the recent proposal of the President of the United States to enlarge the personnel of the Supreme Court by the appointment of six additional Justices in the event that the sitting Justices who have reached the age of 70 do not choose to retire; and in reaffirming its complete confidence in the integrity and impartiality of that august tribunal as now constituted; to the Committee on the Judiciary.

764. Also, resolution of the Association of the Bar of the City of New York, that this association, however its members may differ in their views of recent decisions of the Supreme Court on constitutional questions involving the scope of the Federal and State power in social and economic legislation, the proposal of the President in his message of February 5, 1937, and embodied in Senate bill 1392 and House bill 4417 to affect the decision of such questions by changing the membership of the Supreme Court would, if enacted, make the Court suspect of subservience and the Executive of domination; it is unsound in principle and dangerous as a precedent and violates the historic American principle of the independence of the judiciary; to the Committee on the Judiciary.

765. Also, resolution of the Tioga County Bar Association, in annual meeting assembled, endorsing and approving the resolution of the New York State Bar Association, and condemning the plan of the President of the United States as an attempt to subordinate that incorruptible defender of our American liberties; the Supreme Court of the United States, to the present administration; to the Committee on the Judiciary.

766. Also, resolution of the Jefferson County Bar Association, unalterably opposing the granting to the President the power to appoint six additional Justices of the Supreme Court and urging the Senators and Representatives in Congress to lend their influence and to cast their votes against the passage of such proposed legislation; to the Committee on the Judiciary.

767. Also, resolution of the Bayside Hills Civic Association, opposing the proposed tax of 1 cent per gallon on fuel oil, when used for the generation of heat, as it would be discriminatory and one that would impose such a serious hardship on users as to necessitate their abandoning oil-burning heating systems, and thus discouraging the ownership of small homes; to the Committee on Ways and Means.

768. By Mr. RUTHERFORD: Petition of the citizens of Nicholson, Wyoming County, Pa., protesting against the President's proposal to increase the number of members of the United States Supreme Court; to the Committee on the Judiciary.

769. Also, petition of certain citizens of Canton, Bradford County, Pa., protesting against the President's proposal to increase the number of members of the United States Supreme Court; to the Committee on the Judiciary.

770. Also, petition of certain citizens of Hallstead, Susquehanna County, Pa., protesting against the President's proposal to increase the number of members of the United States Supreme Court; to the Committee on the Judiciary.

771. By Mr. ASHBROOK: Petition of James F. Campbell and 82 residents of Knox County, Ohio, protesting against the President's Supreme Court proposal; to the Committee on the Judiciary.

772. By Mr. PFEIFER: Petition of the board of estimate and apportionment of the city of New York, requesting construction and equipment of the two new battleships to the Brooklyn Navy Yard; to the Committee on Naval Affairs.

773. By Mr. BURDICK: Petition of the Twenty-fifth Legislative Assembly of the State of North Dakota; to the Committee on Agriculture.

774. By Mr. SHAFER of Michigan: Petition of S. R. Truex and 42 other citizens, of Red Bank, N. J., urging the passage

of House bill 167, known as the longevity bill, calling attention to Congress for a change in the retirement law and to weaknesses in the Social Security Act; to the Committee on the Post Office and Post Roads.

775. By Mr. TURNER: Eighteen petitions of citizens of Columbia, Tenn., requesting that no law be passed that would disturb or abridge the religious rights and privileges of all our people; to the Committee on the Judiciary.

776. By the SPEAKER: Petition of the Pomery Civic Club, relative to the flood-control dam in the Ohio Basin; to the Committee on Flood Control.

777. Also, petition of Charlotte Morris, opposing any change in the laws of the United States; to the Committee on the Judiciary.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 5, 1937

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O give thanks unto the Lord and call upon His holy name; He has been always mindful of His covenant and promise. Heavenly Father, accept our thanksgiving and praise for the privilege of another day. Give us understanding minds and hearts. Teach us to know that life is a great opportunity and that the world is full of open doors. Allow not our contact with it to cloud the vision and the ideals of the soul. Thou eternal source of life and light, giver of unspeakable gifts, from whose abundance come the blessings of man, may we abound in every good work. Steady our hearts; keep us in the ways of patience, obedience, and service; guide us with Thine eye and keep us this day without sin. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 194. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. R. 911. An act for the relief of Lewis Clark and Freda Mason;

H. R. 1120. An act for the relief of Fields B. Arthur and Arthur L. Allen, copartners, Colorado Culvert & Flume Co.; Glen Haller, Kenneth Austin, A. B. Hoffman, J. W. Jones, and Lloyd Lasswell;

H. R. 2503. An act to extend the time for completing the construction of a bridge across the Columbia River near The Dalles, Oreg.;

H. R. 2772. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

H. R. 3148. An act granting the consent of Congress to the State of Alabama, or Etowah County, or both, to construct, maintain, and operate a free highway bridge across the Coosa River at or near Gilberts Ferry, in Etowah County, Ala.;

H. R. 3675. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Lincolnton, Ga.; and

H. R. 3689. An act declaring Turtle Bay and Turtle Bayou, Chambers County, Tex., to be nonnavigable waterways.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 179. An act for the relief of J. H. Richards;

S. 308. An act for the relief of the estate of Alice W. Miller, deceased;

S. 463. An act to settle claims of four persons arising from First Army maneuvers, August 1935;

S. 510. An act for the relief of Stephen Sowinski;

S. 525. An act for the relief of Harry King;

S. 609. An act for the relief of Edith Lewis White;

S. 687. An act authorizing the Secretary of War to bestow the Silver Star upon Michael J. Quinn;

S. 713. An act to provide an appropriation for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926;

S. 722. An act for the relief of Jesse W. Smith;

S. 869. An act for the relief of John A. Flagg;

S. 1115. An act to amend section 22 of the act approved March 4, 1925, entitled "An act providing for sundry matters affecting the naval service, and for other purposes";

S. 1147. An act for the relief of Alban C. Sipe;

S. 1236. An act authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list;

S. 1272. An act relative to the military record of James Meagher, deceased;

S. 1311. An act for the relief of Norman Hildebrand;

S. 1315. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost by fire at the Naval Radio Station, Eureka, Calif., on January 17, 1930;

S. 1413. An act for the relief of Capt. Eugene Blake, Jr., United States Coast Guard;

S. 1454. An act to provide for the reimbursement of certain enlisted men of the Navy for the value of personal effects destroyed in a fire in building no. 125, United States Navy Yard, Washington, D. C., on July 16, 1935;

S. 1500. An act authorizing the Secretary of Agriculture to provide for the classification of cotton, to furnish information on market supply, demand, location, condition, and market prices for cotton, and for other purposes; and

S. Con. Res. 5. Concurrent resolution to recognize April 6 of each year as Army Day.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 194. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. R. 911. An act for the relief of Lewis Clark and Freda Mason;

H. R. 1120. An act for the relief of Fields B. Arthur and Arthur L. Allen, copartners, Colorado Culvert & Flume Co.; Glen Haller, Kenneth Austin, A. B. Hoffman, J. W. Jones, and Lloyd Lasswell;

H. R. 2503. An act to extend the time for completing the construction of a bridge across the Columbia River near The Dalles, Oreg.;

H. R. 3148. An act granting the consent of Congress to the State of Alabama, or Etowah County, or both, to construct, maintain, and operate a free highway bridge across the Coosa River at or near Gilberts Ferry in Etowah County, Ala.;

H. R. 3675. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Lincolnton, Ga.; and

H. R. 3689. An act declaring Turtle Bay and Turtle Bayou, Chambers County, Tex., to be nonnavigable waterways.

PERMISSION TO ADDRESS THE HOUSE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that on Monday next, after the reading of the Journal, disposition of matters on the Speaker's desk, and disposition of the call of the Committee on the District of Columbia, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that immediately after the address of the gentleman from